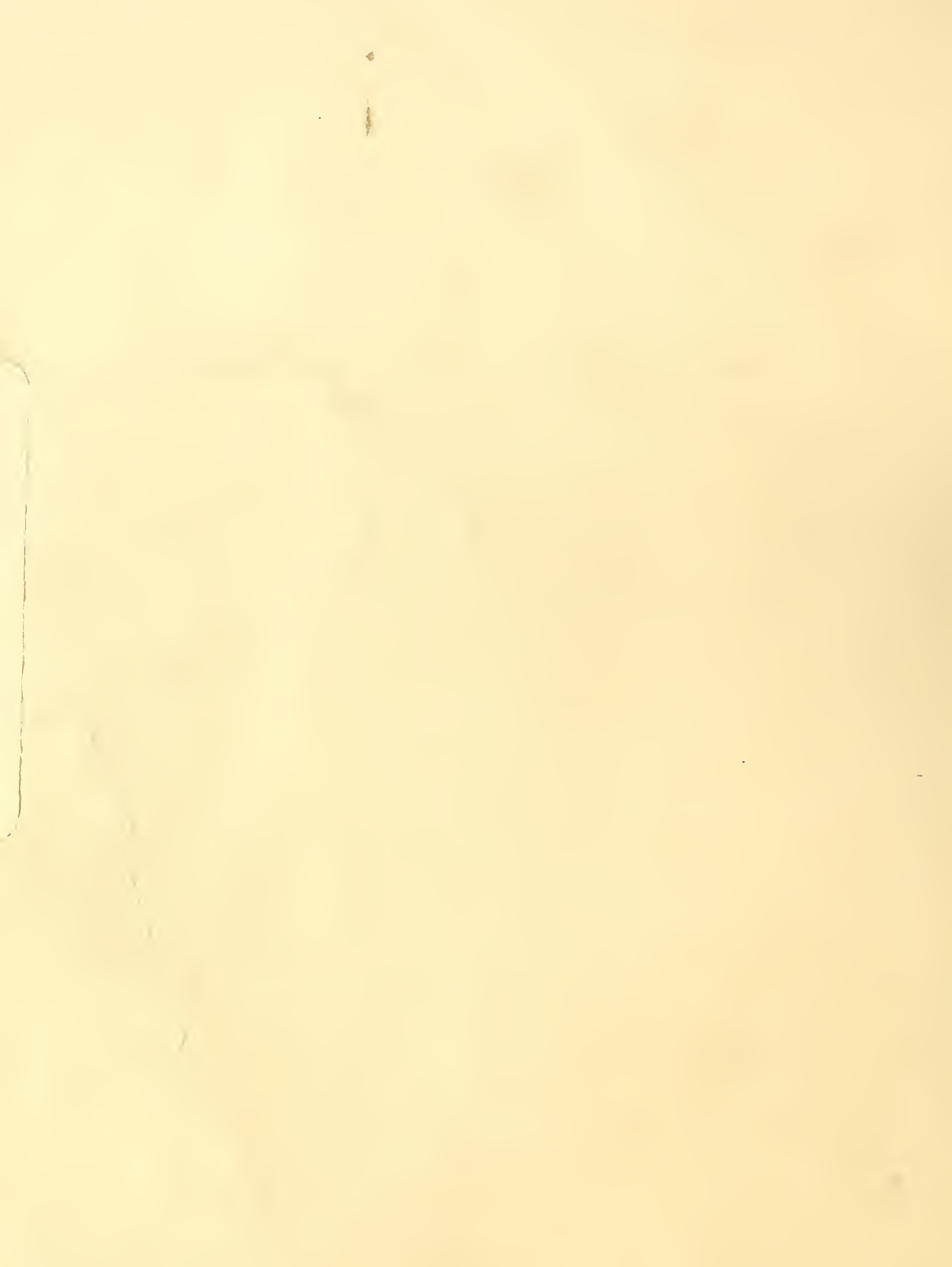


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Tobacco Situation

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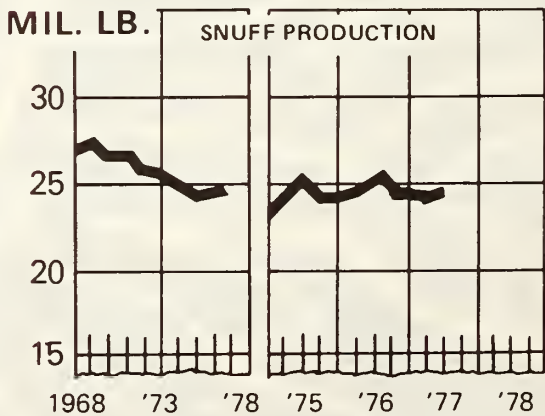
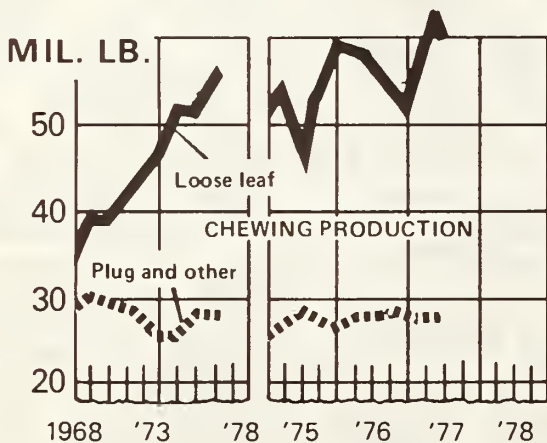
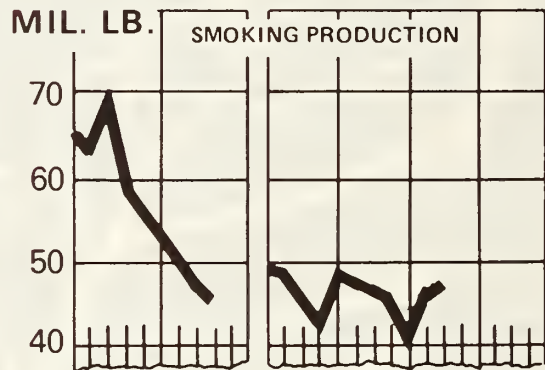
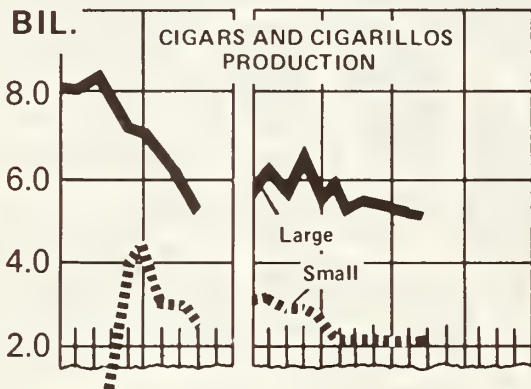
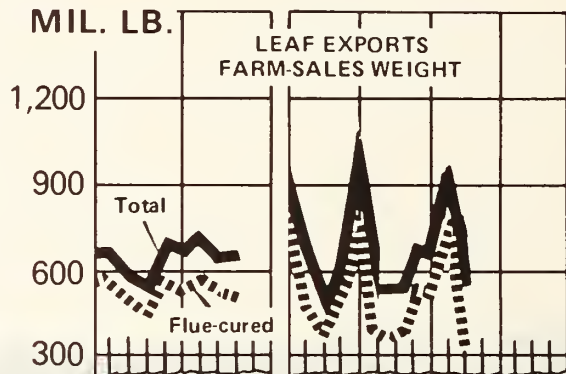
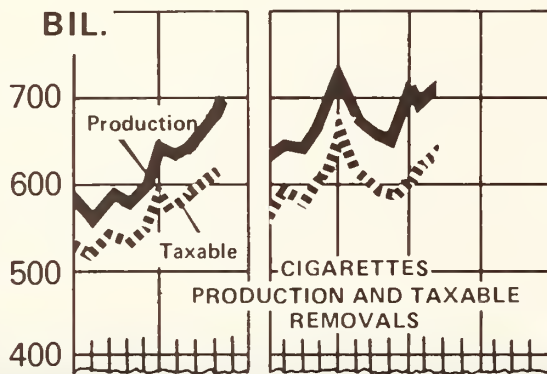
U.S. Department of
Agriculture

June
1977



TOBACCO OUTLETS

Trends in Manufactured Products and Exports



1968 '73 '78

1968 '73 '78

ANNUAL
QUARTERLY
SEASONALLY ADJUSTED
AT ANNUAL RATES

ANNUAL
QUARTERLY
SEASONALLY ADJUSTED
AT ANNUAL RATES

USDA

LAST QUARTER SHOWN ESTIMATED.

NEG. ERS 229-77 (5)

THE TOBACCO SITUATION

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Approved by:
The World Food and Agricultural Outlook
and Situation Board

Summary released on June 10, 1977

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The *Tobacco Situation* is published in March, June, September, and December.

SUMMARY

Tobacco Use Slips; Smaller Crop in 1977

The slow growth in U.S. cigarette sales and lagging tobacco exports has caused U.S. tobacco disappearance for the 1976/77 marketing year to slide below last season's level and to fall short of 1976's output. Thus, carryover by July 1 (October 1 for burley and other kinds) will rise some 250 million pounds above last year's 3¼ billion pounds.

Domestic cigarette use for the 10 months ended April 1977 increased about 1 percent and cigarette exports were up 5 percent. Manufacturers have worked off inventories, so cigarette output in the year ending June 30 may be slightly below the 688 billion cigarettes produced last fiscal year. Gains in cigarette sales and inventories should help boost production in the second half of 1977.

Contrasting with the stability in cigarette smoking, but consistent with recent trends, output of cigars and smoking tobacco continues below a year earlier. Snuff and chewing tobacco production is increasing.

Unmanufactured tobacco exports for July 1976-April 1977 totaled 6 percent below a year earlier. So shipments for the year ending June 30 will probably fall below the 588 million pounds (652 million pounds farm-sales weight) of last fiscal year. World demand for U.S.-type blended cigarettes is still climbing, but some overseas markets have either slowed their purchase rate or shifted to competing tobacco because of sharp price increases to consumers and discriminatory nontariff barriers.

Prospects are for a smaller 1977 U.S. crop at increased prices. But the large quantity of lower stalk tobacco under loan means export grades remain in limited supply. Thus, unmanufactured tobacco exports for July-December 1977 will do well to equal the 287 million pounds (export weight) of a year earlier. Our exports are helped by overseas preference for full-flavor U.S. tobacco and the bilateral trading patterns of a number of Asian countries. Exports to countries in the European Community have declined during the past 12 months and may decline further over the next 12 months.

Flue-cured tobacco exports were off 8 percent in July 1976-April 1977. The largest drop was in shipments to the United Kingdom, reflecting continued shifts to cheaper, tariff-preference tobaccos. For the

year ending June 30, exports may reach about 365 million pounds (485 million, farm-sales weight), 6 percent below 1975/76. Burley exports for the crop year ending September 30 are expected to exceed last year's total of 72 million pounds (92 million, farm-sales weight).

During July 1976-April 1977, cigarette leaf tobacco imports for consumption—at 159 million pounds (declared weight)—fell below a year earlier. Cigar leaf imports gained 5 percent. U.S. manufacturers' stocks of imported tobacco on April 1 were below a year earlier.

With a decline in cigarette output and decreased tobacco use per cigarette, domestic flue-cured use in the year ending June 30 should drop 3 percent from last season's level. With a lower level of exports, total disappearance of flue-cured will run about 4 percent below the 1.2 billion pounds of last season. The July 1977 carryover of flue-cured likely will gain a tenth from the 1.9 billion pounds of a year earlier.

April planting intentions point to 12 percent less flue-cured acreage than last year. A projected crop 10 percent smaller seems reasonable. For the new season, total supply (estimated carryover plus the projected 1977 crop) may gain a little. The prospective smaller 1977 crop and a 7-percent higher support level means prices are expected to average above last year. The Crop Production Report to be issued July 12 will include a production forecast based on yield surveys conducted about July 1.

Auctions for the flue-cured crop are expected to open the week of July 11. The grower designation provisions remain in effect. To receive price support, growers must plant within 110 percent of the farm acreage allotment. Growers must also certify that they did not use DDT, TDE, toxaphene, or endrin pesticides on their crop.

Use of burley tobacco may total a little above last season's 601 million pounds but well below last year's large crop. Thus, the October 1 carryover is expected to rise from last year's 1,131 million pounds. Lower farm poundage quotas indicate growers in 1977 are expected to produce and market a smaller crop than last year and keep total supplies about the same as for 1976/77.

Auction markets for the 1976 crop of Maryland tobacco began April 13 and ended June 16. For the larger crop, prices averaged \$1.10 per pound, about the same as a year earlier. Disappearance of Maryland tobacco in the current marketing year may drop from last season; carryover may fall below 1976's.

Use of fire-cured and dark air-cured tobacco is increasing from last marketing year's low level. Domestic cigar tobacco disappearance is declining. Nevertheless, estimated use for most of these types of tobacco will exceed last year's crops, leaving less carryover into 1977/78. Tentative 1977/78 supplies are a little above the previous season for fire-cured and cigar filler, but lower for dark air-cured, cigar binder, and wrapper tobaccos.

TOBACCO PRODUCTS

Smaller U.S. Cigarette Output in 1976/77

With steady economic growth and fewer shipping uncertainties, U.S. wholesalers from July 1976 through April 1977 shipped about 1 percent more cigarettes than in the comparable period in 1975/76. Consumption by U.S. smokers (including those overseas) in the year ending June 30, 1977, may have increased from the previous year to around 620 billion cigarettes (table 1). Gains in domestic cigarette use are expected to continue during July-December 1977. Estimated output in 1976/77 may total 680 billion cigarettes, about 1 percent below the 1975/76 level. Allowing for an estimated 3-billion-cigarette decrease in inventory, this still includes about 63 billion cigarettes for exports and shipments to Puerto Rico and other U.S. possessions. During the 10 months through April 1977, exports gained 5 percent, reflecting the continued growth in worldwide preference for U.S. cigarettes (table 2).

As estimated by State tax data, unit cigarette

sales in January-March 1977 were up 1½ percent from a year earlier. The gain in cigarette sales parallels the increase in adult population. Retail prices have gone up in the past 12 months, in part due to a rise in wholesale prices. State tax rates have remained the same.

Low-Tar, Low-Nicotine Cigarettes Take Larger Market Share

Low-tar, low-nicotine cigarettes, which have been heavily promoted and have gained sharply, now total about 20 percent of the domestic market. Generally considered to yield less than 15 milligrams of tar per cigarette, the category includes at least 40 different cigarette brands or brand variations. For a number of years the average tar and nicotine content of cigarettes has been declining as manufacturers shift the tobacco blends, utilize more efficient filters, and make adjustments in the cigarette paper.

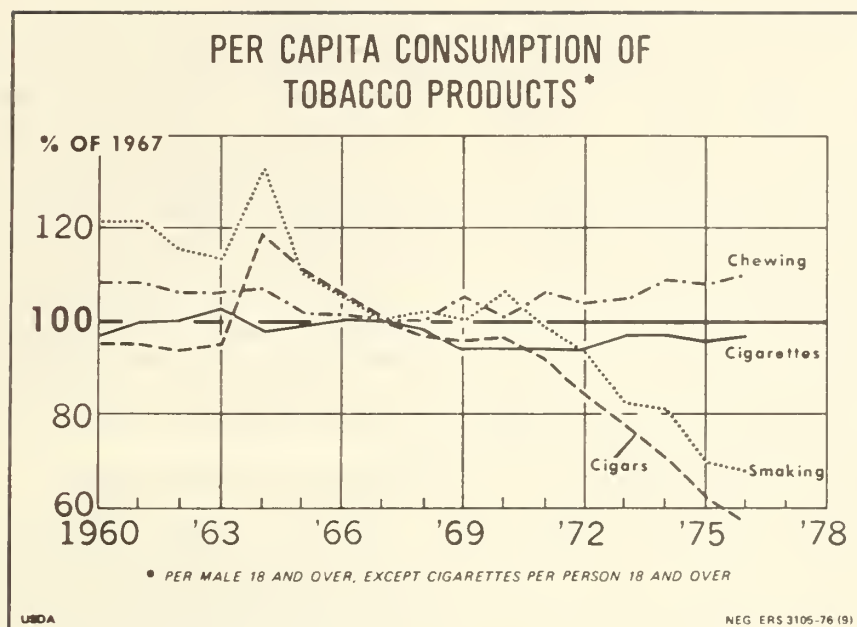


Table 1--Cigarettes: U.S. output, removals, and consumption, 1970-77

Year	Output	Removals					Estimated : inventory : increase :	Total : U.S. : consump- tion :
		Taxable	Tax-exempt			Overseas : forces :		
			Total	Exports	Shipments : 1/			
Billions								
1970	583.2	532.8	51.2	29.2	3.7	18.4	14.7	536.5
1971	576.4	528.9	49.2	31.8	2.7	14.7	-11.4	555.1
1972	599.1	551.0	49.0	34.6	2.1	12.3	-3.3	566.8
1973	644.2	590.3	55.9	41.5	2.0	12.4	13.1	589.7
1974	635.0	576.2	59.2	46.9	1.9	10.4	-12.1	599.0
1975	651.2	588.3	62.3	50.2	1.5	10.6	8.0	607.2
1976 4/	693.4	617.9	72.1	61.4	2.0	8.7	10.6	616.0
Year ending June 30 --								
1971	585.1	539.6	47.5	29.0	2.2	15.2	.9	544.0
1972	592.6	542.6	50.2	32.8	2.2	15.2	-8.5	566.4
1973	615.6	562.7	52.2	38.3	2.3	11.6	-2.2	576.8
1974	652.0	594.9	59.1	44.9	2.0	12.2	12.2	595.0
1975	626.8	570.3	57.4	46.6	1.7	9.1	-21.7	601.0
1976	688.2	619.1	69.8	58.2	2.0	9.6	14.0	615.0
1977 5/	680.0	609.0	71.0	61.0	2.0	8.0	-3.0	620.0

1/ To Puerto Rico and other U.S. possessions. 2/ Includes ship stores and small tax-exempt categories. 3/ Taxable removals, overseas forces, inventory change and imports (negligible). 4/ Subject to revision. 5/ Estimated.

Compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms and the Bureau of the Census.

Table 2—U.S. cigarette exports to leading destinations, 1975-77

Country	1975	1976 ¹	January-April	
			1976	1977 ¹
	Billions	Billions	Billions	Billions
Belgium-Luxembourg . .	7.5	12.1	2.7	3.2
Hong Kong	4.4	5.9	1.6	2.0
Netherlands Antilles . .	4.0	4.1	1.1	1.4
Japan	3.5	2.2	.6	1.0
Iran	3.1	5.8	2.1	2.6
Saudi Arabia	2.3	2.4	.9	1.2
Spain	2.0	3.4	1.2	1.2
Kuwait	1.9	2.2	1.3	.6
United Arab Emirates . .	1.7	1.6	1.2	.4
Canary Islands	1.2	1.1	.5	.6
Syrian Arab Republic . .	1.2	2.1	1.6	.2
Lebanon	1.0	.7	.1	.3
Panama . . . . .	.9	1.1	.4	.3
Other countries	15.2	16.7	4.9	4.8
Total	49.9	61.4	20.2	19.8

¹ Subject to revision.

Compiled from publications and records of the Bureau of the Census.

Federal Government Activities

The Federal Trade Commission has sued in Federal District Court to require six major domestic cigarette manufacturers to file special reports on cigarette advertising and labeling. The special reports were originally ordered in May 1976, to enable the Commission to prepare the statistical supplement to the annual report to Congress on cigarette labeling, advertising, and promotion—as required by the Public Health Cigarette Smoking Act of 1969. After considering the companies' objections, the Commission had set new deadlines of mid-April 1977. In past years the companies have filed similar reports, but last year they refused to do so because the FTC could not guarantee their confidentiality.

The FTC's comprehensive investigation of cigarette advertising and promotion (authorized in May 1976) was delayed over the past 12 months while the FTC considered various motions of the six cigarette companies, 20 advertising agencies, and two other parties. Objections were raised concerning FTC jurisdiction and various procedural matters. As a result, in May 1977, the FTC modified its investigation request.

Cigar Volume Slips

From July 1976 through March 1977, U.S. cigar consumption totaled 3.7 billion *large cigars* (including cigarillos), 8 percent fewer than the year before. For 1976/77, consumption is expected to have fallen by a similar percentage. Since 1971, consumption has declined almost steadily. Demand

has been declining in low and medium price categories for several years. In contrast, demand for higher price cigars from Puerto Rican and U.S. factories remains strong (table 3).

Production of *small cigars* (those weighing less than 3 pounds per thousand) totaled 1.7 billion in the 9 months through March 1977. The total fiscal year output probably fell one-fifth from 1975/76. The small cigar decline partly reflects the reduced level of advertising since 1972 (table 4).

According to the annual survey by the Cigar Association of America, sales of cigarillos totaled 1.8 billion in calendar 1976. Cigarillos weigh between 3 and 10 pounds per 1,000, less than half as much as the traditional cigar. Cigarillo sales (based on taxable removals) in 1976 were 34 percent of total sales of large cigars and cigarillos, up from 30 percent in 1975. The cigarillo share reached a high of 38 percent in 1971.

Smoking and Chewing Tobacco

Smoking tobacco production and consumption for the year ending June 30 is continuing the downtrend started in 1970. In the first 9 months of 1976/77, domestic smoking tobacco output fell 6 percent to 32 million pounds. Imports also declined and total domestic sales dropped 2 percent to 39 million pounds. Declines occurred in sales of domestic tobacco for both pipes and roll-your-own cigarettes.

Smokeless tobacco output in 1976/77 is estimated above the the previous year. Gains are occurring in production of loose-leaf chewing tobacco and snuff.

Table 4—Tobacco products: Output, 1975-77

Item	Year ending June 30—		
	1975	1976	1977 ¹
	Million pounds	Million pounds	Million pounds
Chewing tobacco			
Plug	17.9	17.6	16.5
Twist	2.2	2.3	2.3
Fine-cut	6.7	7.8	9.2
Loose leaf	54.8	56.7	58.0
Total	81.6	84.4	86.0
Snuff	24.7	24.6	25.0
Smoking tobacco in bulk (exports)	34.4	11.8	11.0
	Millions	Millions	Millions
Small cigars	3,158	2,513	2,000

¹ Estimated.

Basis data compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms, Bureau of the Census, and Agricultural Marketing Service, USDA.

Table 3--Cigars and smoking tobacco: Output, removals, and consumption 1967-77

Year and item	U.S. factories			From			Total
	Removals			Puerto	Imports	Exports	U.S.
	Output	Taxable	Tax-exempt	Rico: taxable			consumption
							1/
	Millions						
Large cigars and cigarillos							
1967	6,858	6,846	197	1,099	30	76	8,096
1968	7,184	6,759	169	1,036	48	66	7,946
1969	6,931	6,739	169	1,080	45	65	7,968
1970	7,094	6,705	152	1,259	46	54	8,108
1971	6,707	6,506	131	1,222	48	46	7,861
1972	6,025	5,896	139	1,272	62	76	7,293
1973	5,655	5,554	143	1,304	75	107	6,969
1974	5,284	5,008	136	1,224	74	86	6,356
1975	4,523	4,915	125	1,216	79	92	5,804
1976 2/	4,178	4,048	144	1,226	88	124	5,382
	Year ending June 30 --						
1967	6,883	6,864	183	1,072	26	74	8,071
1968	7,234	6,868	192	1,114	38	77	8,135
1969	6,868	6,633	156	987	46	62	7,760
1970	7,108	6,755	165	1,186	47	58	8,095
1971	6,956	6,718	139	1,237	47	55	8,086
1972	6,353	6,217	145	1,274	53	65	7,624
1973	5,842	5,725	137	1,287	69	79	7,139
1974	5,296	5,184	133	1,281	72	108	6,562
1975	5,166	4,864	133	1,169	76	80	6,162
1976	4,188	4,215	135	1,253	82	120	5,565
1977 3/	3,900	3,900	140	1,250	90	140	5,240
	Million pounds						
Smoking tobacco							
1967	64.8	62.7	2.0	---	3.7	1.3	67.1
1968	66.3	64.1	1.9	---	5.5	1.8	69.7
1969	63.9	62.6	1.6	---	5.7	1.1	68.8
1970	69.4	65.6	1.5	---	8.7	.9	74.6
1971	60.5	61.3	1.4	---	8.4	1.2	69.9
1972	55.9	55.1	1.3	---	11.9	1.1	67.2
1973	53.0	51.7	1.5	---	8.0	1.2	60.0
1974	49.0	49.0	1.0	---	10.9	.9	60.0
1975	46.2	44.5	1.0	---	8.7	1.6	52.6
1976 2/	44.6	43.7	.9	---	3/10.1	.8	53.9
	Year ending June 30 --						
1967	64.3	62.3	1.8	---	3.2	1.1	66.2
1968	66.9	64.6	1.9	---	4.6	1.3	69.8
1969	63.7	62.5	1.7	---	5.3	1.8	67.7
1970	67.2	64.2	1.6	---	7.0	.9	71.9
1971	67.0	64.8	1.5	---	8.7	1.1	73.9
1972	57.6	57.6	1.3	---	10.6	1.4	68.1
1973	52.1	52.9	1.4	---	9.8	1.2	62.9
1974	51.8	50.4	1.2	---	9.3	1.4	59.5
1975	48.7	47.5	1.1	---	9.6	1.6	56.6
1976	45.9	44.8	.9	---	9.3	.9	54.1
1977 3/	44.5	44.0	.8	---	3/10.0	.7	54.1

1/ Total removals (or sales) from U.S. factories plus those from Puerto Rico, and imports, minus exports. 2/ Subject to revision. 3/ Estimated.

Compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms and the Bureau of the Census, and AMS, USDA.

U.S. EXPORTS AND IMPORTS

Leaf Exports Pace Slipping

For the year ending June 1977, exports of unmanufactured tobacco are estimated slightly below last fiscal year's 588 million pounds (export weight). During July 1976-April 1977, shipments decreased 5 percent to 503 million pounds. The average unit value of exports increased 7 percent. January-April exports of 217 million pounds were 8 percent below the 236 million pounds in the same months of 1976 when a bulge in Japan's shipments occurred.

Flue-cured tobacco exports were down 8 percent in the July-April period, accounting for the decline in total exports. Exports of burley and Maryland gained. Shipments of fire-cured tobacco (Ky.-Tenn.) were down slightly. An increase occurred for July-April exports to Japan, Australia, Thailand, and Sweden. Virtually all the European Community (EC) countries took less. United Kingdom and West Germany are the two leading EC destinations (table 5).

If better U.S. growing conditions continue and result in a higher quality crop than in the past 2 years, our export prospects for the rest of 1977 could hold around the July-December 1976 total of

287 million pounds. For those months in 1971-75 the average was 300 million pounds. Higher prices this season will limit our exports later in the marketing year.

Import Pace Steadies

U.S. tobacco imports for consumption (factory use of imports) during January-April 1977 were about the same as the level of a year earlier (table-6). A decline occurred for cigarette tobacco imports while cigar filler categories gained. Supply of U.S. cigarette tobacco has increased while the cigar tobacco supplies are down.

January-April 1977 arrivals of tobacco (general imports) totaled 105 million pounds, down substantially from the same period a year earlier. U.S. purchases of oriental tobacco are down sharply due to high prices. By April 1 of this year, stocks of foreign-grown cigarette and smoking tobacco in the United States declined 30 million pounds, 5 percent below a year earlier. The decline occurred in oriental tobacco as foreign-grown flue-cured and burley increased to a record high for that date, although barely over the level of mid-1975 (table 7).

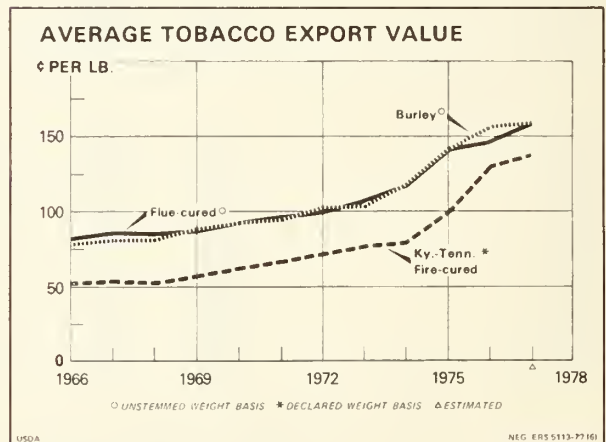
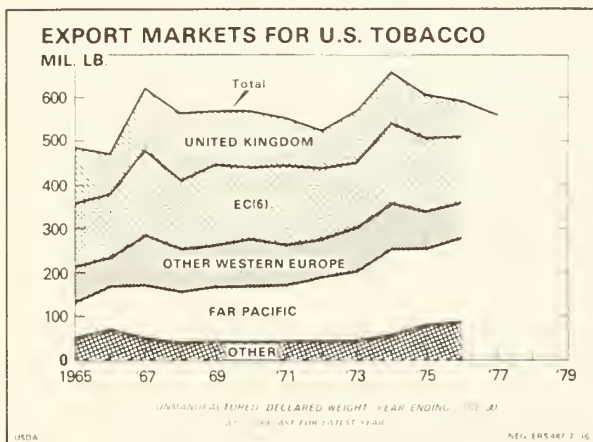


Table 5—United States exports unmanufactured tobacco by type and to principal importing countries for specified periods

(Declared weight)

Type and country	Average 1967-71	1973	1974	1975	1976	January-April		1977 as a percentage of 1976
						1976 ¹	1977 ²	
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Percent</i>
Type:								
Flue-cured	402.1	418.3	440.9	391.4	378.7	152.4	135.0	89
Burley	43.6	59.3	60.8	61.9	67.9	32.6	36.3	111
Maryland	12.0	9.6	10.9	4.1	8.3	1.3	1.4	108
Fire-cured, Ky. and Tenn. ..	24.8	18.4	19.4	14.9	16.3	6.2	5.2	84
Virginia fire and sun-cured ..	4.7	3.0	6.0	3.3	2.8	1.5	2.4	160
Green River and One Sucker ..	1.2	.4	1.0	.3	.3	*	.1	---
Black Fat	2.6	3.1	2.7	3.5	3.3	1.2	.8	66
Cigar wrapper	2.9	2.1	2.9	4.3	3.7	1.2	1.1	61
Cigar binder	1.0	.1	.1	.2	.3	*	*	---
Cigar filler .....	.6	.3	.6	.2	.4	.2	1	50
Perique .....	.1	.2	.2	.1	.1	.1	.1	100
Stems, trimmings and scrap ..	55.1	98.1	105.9	78.9	95.7	38.5	33.3	86
Total	546.3	613.0	651.4	563.0	577.7	235.8	215.8	92
Country of destination:								
United Kingdom	120.7	119.7	94.3	78.5	71.8	18.9	13.0	69
France	8.1	6.6	8.2	9.5	8.3	3.4	2.2	65
Belgium-Luxembourg	16.6	16.7	14.4	8.1	7.5	2.7	1.6	59
Netherlands	34.5	31.6	31.0	29.9	24.7	7.5	7.1	95
West Germany	99.5	99.4	97.1	91.0	73.7	13.7	13.5	99
Denmark	17.9	37.0	12.6	16.4	9.0	.2	8.0	---
Ireland	11.8	8.9	10.2	8.2	7.7	3.3	2.2	67
Italy	10.2	21.8	24.3	31.5	33.2	24.5	29.3	120
Total EC	319.3	341.7	292.1	273.1	235.9	74.2	76.9	104
Switzerland	23.1	31.4	21.3	25.9	24.3	5.9	7.3	124
Finland	5.4	6.1	4.0	8.0	6.2	1.7	2.2	129
Norway	7.5	5.7	5.4	5.6	5.5	1.7	1.9	112
Sweden	16.8	17.1	14.5	15.3	14.1	2.3	1.7	74
Spain	4.3	4.3	8.0	9.4	4.7	1.9	2.5	132
Thailand	23.1	8.6	20.6	18.7	21.8	15.6	16.2	105
South Vietnam	12.4	14.6	13.7	1.9	0	0	0	---
Malaysia	10.8	8.0	11.9	7.1	7.3	1.9	4.4	233
Philippines	7.0	8.8	11.2	11.8	13.0	6.0	4.7	78
Taiwan	8.1	16.7	23.8	16.0	12.3	7.6	8.8	116
Japan	38.8	79.0	109.6	81.5	132.7	76.8	46.5	61
Australia	14.8	13.9	18.7	15.5	10.3	2.9	4.6	159
New Zealand	4.2	5.3	4.8	5.0	4.9	1.6	1.7	106
Egypt	1.3	2.4	12.3	10.4	11.1	10.9	11.6	106
Other countries	49.4	48.9	79.5	57.8	73.6	25.2	25.2	100
Total	546.3	612.5	651.4	563.0	577.7	235.8	215.8	92

¹ Subject to revision. ² Preliminary.

Detail may not add to total due to rounding. *Less than 50,000 pounds.

Compiled from publications and records of the Bureau of the Census.

Table 6—U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, 1976, and January-April 1976-77¹

(Declared weight)

Classification and country of origin	Imports for consumption				General imports (arrivals)			
	1976	January-April		1976 as a percentage of 1977	1976	January-April		1976 as a percentage of 1977
		1976	1977 ¹			1976	1977 ¹	
	<i>Million pounds</i>				<i>Percent</i>			
Cigarette tobacco:								
Leaf, unstemmed:								
Oriental								
Turkey	94.3	32.9	31.2	95	95.2	93.4	25.6	27
Greece	21.6	7.7	5.0	65	23.3	6.6	15.2	230
Yugoslavia	17.1	5.8	5.3	91	17.3	7.0	8.2	117
Lebanon	9.9	3.5	2.1	60	0	0	1.5	---
Other countries	31.7	8.2	11.7	142	50.1	19.3	10.6	55
Flue-cured and burley	30.2	18.3	10.6	58	465	13.4	13.2	99
Other cigarette	---	.4	1.0	250	---	1.5	1.0	67
Subtotal	204.8	76.8	67.0	87	232.4	141.2	75.3	53
Scrap								
Turkey	5.0	1.9	1.3	68	4.0	4.0	(²)	---
Mexico	4.0	1.4	.8	57	1.5	.5	.1	20
Other countries ³	16.1	1.4	1.8	129	27.9	1.3	1.9	146
Subtotal	25.1	4.7	3.9	83	33.4	5.8	2.0	34
TOTAL	229.9	81.5	70.9	87	265.8	147.0	77.3	53
Cigar tobacco:								
Wrapper	1.6	.5	.5	100	2.7	1.1	.8	73
Filler-stemmed and unstemmed								
Dominican Republic	2.2	1.0	.4	40	9.7	2.9	4.7	162
Other countries	7.1	2.5	1.8	72	18.8	6.7	4.0	60
Subtotal	10.9	4.0	2.7	68	31.2	10.6	9.5	90
Scrap								
Philippine Republic	15.6	5.7	6.0	105	12.7	8.3	3.7	45
Colombia	2.8	1.2	1.2	100	1.5	1.1	.2	18
Dominican Republic	7.8	2.7	3.0	111	1.9	.6	.3	50
Brazil	14.6	4.6	10.4	226	10.2	.2	5.3	---
Other countries	18.1	8.9	13.9	156	15.2	4.8	5.4	112
Subtotal	58.9	23.1	34.5	149	41.5	15.0	14.9	99
TOTAL	69.8	27.6	37.2	135	72.7	25.7	24.5	95
Stems	10.7	2.1	3.1	148	10.8	2.1	3.2	152
Grand total	310.4	110.6	111.2	101	349.1	174.7	104.9	60

¹ Preliminary. ² Less than 50,000 pounds. ³ Canada, Yugoslavia, Greece, Cyprus, Syria, Lebanon, India, Thailand, Korea, Angola, Mozambique, Zambia, and Malawi. ---Not applicable.

Detail may not add to total due to rounding.

Compiled from publications and records of the Bureau of the Census.

Table 7—Imported foreign-grown cigarette leaf stocks, by quarters, 1971-77¹

Year	Jan.	April	July	Oct.	Jan.	April	July	Oct.
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
	Foreign-grown flue-cured				Foreign-grown oriental and aromatic			
1971	13	11	14	15	367	371	382	347
1972	12	12	24	19	320	357	389	360
1973	31	31	40	38	369	376	387	360
1974	38	44	47	54	355	374	383	350
1975	53	49	70	70	377	412	415	380
1976	74	73	72	101	361	431	416	405
1977	100	102			397	365		
	Foreign-grown burley				Total imported cigarette leaf			
1971	5	5	4	6	386	386	400	367
1972	7	9	9	11	339	377	423	390
1973	17	24	27	36	418	431	455	434
1974	49	59	67	88	442	477	497	493
1975	118	107	145	136	548	567	623	587
1976	134	124	132	141	568	628	619	646
1977	139	132			637	599		

¹ Farm sales weight.

TOBACCO LEAF SITUATION AND OUTLOOK

1977 Crop Prospects

Dry weather during most of May was the dominant condition affecting the crop early in the season for flue-cured States. But flue-cured areas received beneficial rains the last week of May. About adequate rainfall was reported during May in most burley areas. By early June, tobacco setting was completed in North Carolina and Virginia and almost finished in Kentucky. Harvest was progressing normally in Georgia and Florida. However, the weather pattern early in the season may result in wide variation in crop maturity.

The Flue-Cured Tobacco Advisory Committee will meet June 23 to recommend to USDA opening dates and selling schedules for the 1977 flue-cured tobacco marketing season. Auctions for the 1977 flue-cured crop are expected to begin July 11 or 12 for type 14 (Ga.-Fla.), and in successive weeks for designated marketing areas. Opening dates depend on when sufficient volume is marketable in a given area. Last year's auctions began July 8.

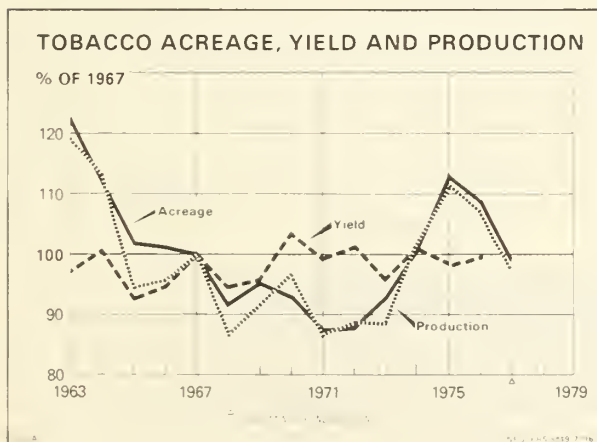
Crop quality will again influence prices. Despite the larger carryover, the smaller crop this season, and 7-percent-higher support level mean prices are expected to average above last year.

USDA's Crop Reporting Board will publish its first estimate of flue-cured yield per acre and production on July 12. Subsequent monthly reports, beginning August 12, will also estimate yield and production for burley and other kinds. During the last decade, the final crop estimate closely approximated the first forecast, with the final figure coming within 1½ percent of the July estimate in 7 out of 10 years.

Pesticide Residue Developments

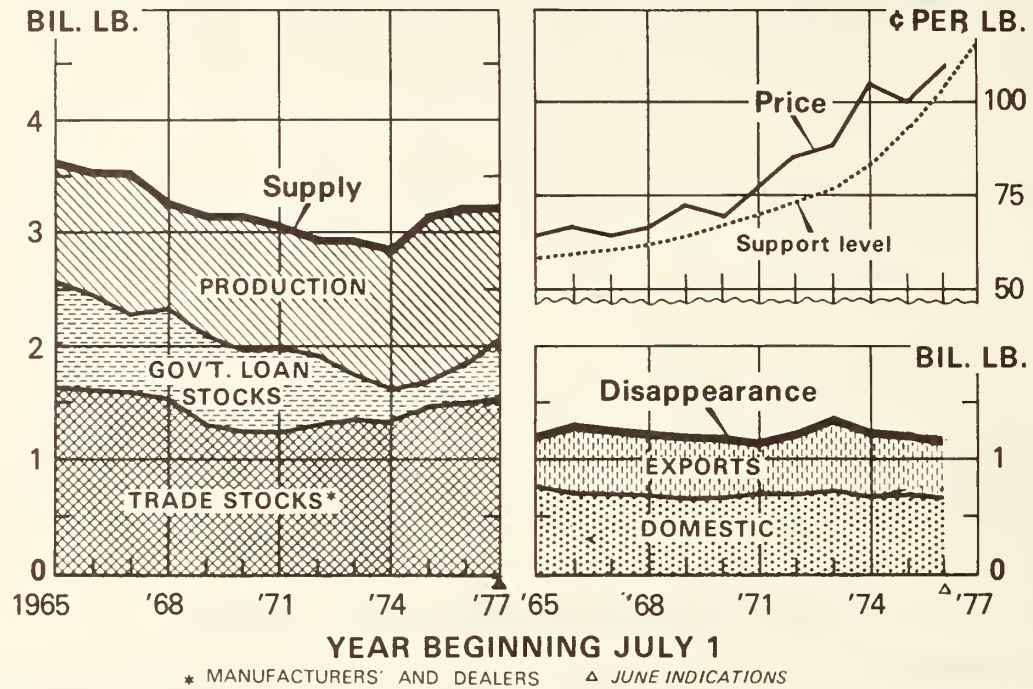
As a condition for receiving price support, growers must certify that they did not use DDT, TDE, endrin, or toxaphene pesticides. If growers certify falsely, they are subject to fines or imprisonment.

DDT and TDE residue levels have been falling for several years. If an analysis shows DDT-TDE residues of 3 parts per million (p.p.m.) or greater, the grower is declared ineligible for price support loan.



¹All quantities in this section are stated in farm-sales weight equivalent unless otherwise noted.

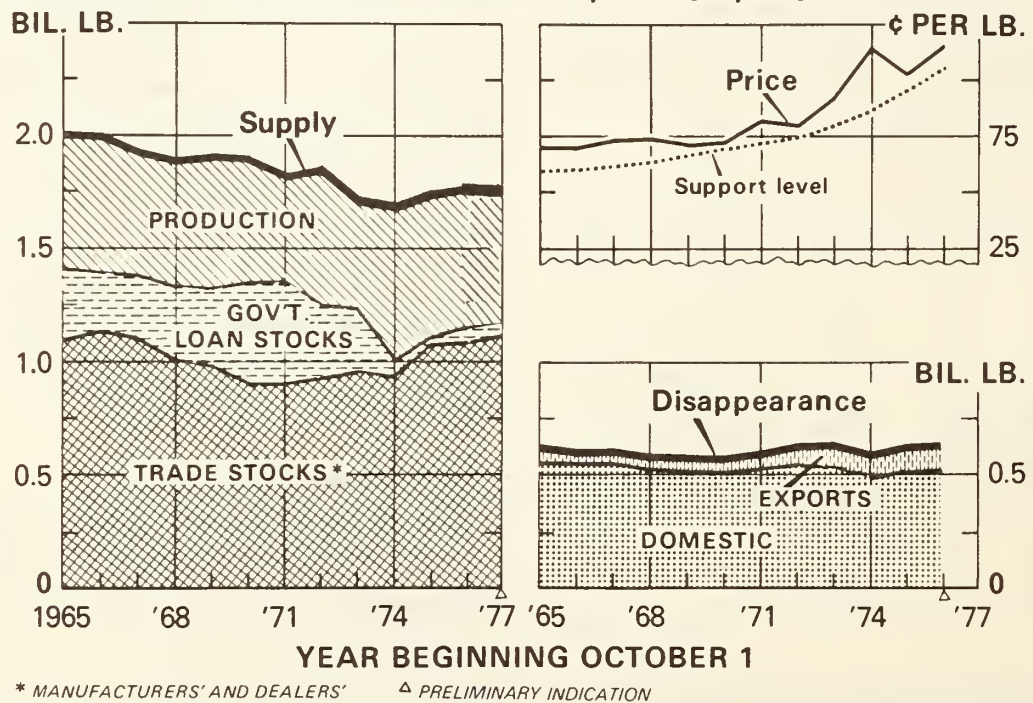
FLUE-CURED TOBACCO: SUPPLY, PRICE, USE



USDA

NEG. ERS 223-77 (6)

BURLEY TOBACCO: SUPPLY, PRICE, USE



USDA

NEG. ERS 381-76 (12)

DDT-TDE residues of 10 p/m or greater means growers are in violation if they certified that chemicals were not applied to the crop.

FLUE-CURED

Leaf Stocks Higher; Use Declines

April 1 stocks of flue-cured tobacco (types 11-14) totaled 2,305 million pounds, 216 million above a year earlier. About one-fourth of the increase was due to an upward revision in the conversion factor (stemmed leaf to farm-sales weight). As a result of the large loan receipts from the 1976 crop, loan stocks rose sharply to 568 million pounds. Manufacturer and dealer holdings remained about the same.

Total disappearance during July 1976-March 1977 was 909 million pounds, about 6 percent lower than the corresponding period of 1975/76. Both exports and domestic disappearance declined by a similar percent. Cigarette production fell 2 percent. Use of imported tobacco for cigarettes dropped 9 percent.

Export Pace Slows

With the price climb resuming, U.S. flue-cured exports this marketing year are dropping below last season's level. For the ten months through April, exports totaled 445 million pounds, about 8 percent below the same period a year earlier.

Japan, United Kingdom, and West Germany, the three leading destinations for U.S. flue-cured tobacco, each decreased takings in July-April. Except for Italy and France, U.S. volume to the EC countries is down and may decline further in the 1977 season.

Rising U.S. prices encouraged EC manufacturers to import from other sources that enjoy preferential duties. However, U.S. tobacco exports to Italy and France benefited from increased demand for American-type blended cigarettes. Several countries in Asia have been able to take more U.S. tobacco in offsetting their trade earnings from substantial manufactured shipments to the United States.

Disappearance Decreasing

Disappearance of flue-cured tobacco in the 1976/77 marketing year ending June 30 is about 4 percent below the 1,193 million pounds used in 1975/76 (table 8) and about 12 percent below the record set in 1973/74. Lower exports and domestic use account for the decline from last year's level. These prospects bring total disappearance to 1,150 million pounds, about 166 million below last season's marketings. Carryover probably went 200

million pounds above a year earlier, but is still one-fifth below the 1965 record.

During July 1976-May 1977, 44 million pounds of loan stocks were sold, 25 million above the low level of 1975/76. Due to the large receipts in 1976, unsold stocks on May 31, 1977, totaled 570 million pounds, compared with 340 million a year earlier. The record was 960 million on January 1, 1965 (table 9).

1977 Flue-Cured Acreage Decreased

The 1977 effective flue-cured acreage allotment, reflecting last year's net overmarketings, is about 651,700 acres, and the effective poundage allotment is about 1,197 million pounds, down 15 percent from last year. Even though acreage compliance is resumed, the harvested acreage will again fall considerably short of allotted acreage (table 10).

With the flue-cured basic quota down 12 percent, growers' April 1 intentions were to set about 12 percent less flue-cured acreage than in 1976. In 1976, growers leased 30 percent of the poundage quota from other allotment owners within their county. The proportion is expected to remain near that level this year. Higher lease rates may have prevailed this season. Since 1972, flue-cured marketing quotas can be leased and transferred throughout the season.

Based on growing conditions to date on the intended acreage, the crop may total about 1.15 billion pounds. Production at this level, plus the prospective carryover, would bring the total 1977/78 supply to about the same as the 3.2 billion pounds in 1976/77.

1977 Price Support Details

Flue-cured is under acreage-poundage marketing quotas and price support is not provided if growers exceed their farm acreage allotments by more than

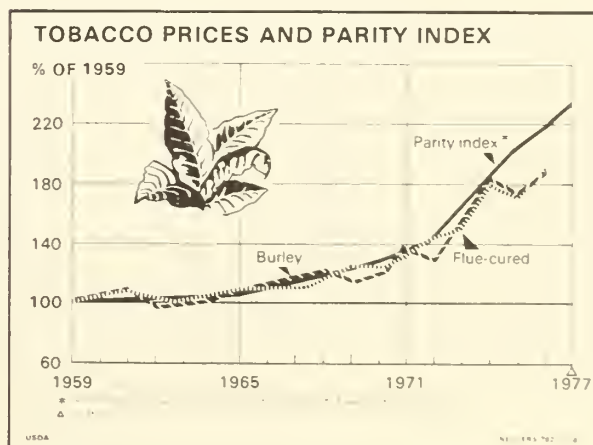


Table 8—Flue-cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1967-77

(Farm-sales weight)							
Marketing year	Acreage harvested	Yield per acre	Production	Beginning stocks ¹			Total supply
				Manufacturers and other	Under loan	Total	
	Thousand acres	Pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Flue-cured, types 11-14							
1967	610.3	2,070	² 1,250.0	1,587.1	685.4	2,272.5	3,522.5
1968	533.0	1,841	² 995.6	1,528.1	773.4	2,301.5	3,297.1
1969	576.8	1,825	1,052.8	1,299.6	800.5	2,100.1	3,152.9
1970	584.1	2,042	² 1,178.1	1,227.5	744.9	1,972.4	3,150.5
1971	525.8	2,050	² 1,076.3	1,214.5	761.9	1,976.4	3,052.7
1972	513.6	1,971	² 1,022.1	1,292.4	617.8	1,910.2	2,932.3
1973	575.1	2,011	² 1,159.0	1,347.0	402.3	1,749.3	2,908.3
1974	616.3	2,014	² 1,245.1	1,330.6	276.7	1,607.3	2,852.4
1975	717.2	1,973	² 1,414.7	1,471.9	179.9	1,651.8	3,066.5
1976 ³	666.6	1,971	² ³ 1,316.0	1,538.8	359.2	1,898.0	3,214.0
1977 ⁴	584.3	1,970	1,150.0	1,514.0	550.0	2,074.0	3,224.0
Burley, type 31							
1967	237.7	2,274	540.6	1,104.8	276.7	1,381.5	1,922.1
1968	237.6	2,372	563.4	1,002.4	321.7	1,324.1	1,887.5
1969	237.7	2,488	591.4	975.7	340.8	1,316.5	1,907.9
1970	216.4	2,590	560.5	887.9	454.8	1,342.7	1,903.2
1971	213.5	2,213	472.6	882.4	446.8.4	1,345.8	1,818.4
1972	235.6	2,552	² 590.3	920.9	327.6	1,248.5	1,838.8
1973	222.1	2,028	² 461.4	952.5	276.7	1,229.2	1,690.6
1974	260.7	2,350	² 610.4	931.5	139.2	1,070.7	1,681.1
1975	282.2	2,265	² 638.3	1,082.4	12.0	1,094.4	1,732.7
1976 ³	284.6	2,372	² 663.8	1,087.4	43.6	1,131.0	1,794.6
1977 ⁴	271.9	2,300	625.0	1,130.0	80.0	1,210.0	1,835.0
Disappearance			Average price per pound	Price support level	Placed under Government loan		Percentage of crop
Total	Domestic	Exports			Quantity		
Million pounds	Million pounds	Million pounds	Cents	Cents	Million pounds	Percent	
Flue-cured, types 11-14							
1967	1,221.0	687.7	533.3	64.2	59.9	282.1	22.6
1968	1,197.0	671.7	525.3	66.6	61.6	128.8	12.9
1969	1,180.5	645.9	534.6	72.4	63.8	97.6	9.3
1970	1,174.1	640.1	534.0	72.0	66.6	144.2	12.2
1971	1,142.5	662.5	480.0	77.2	69.4	55.7	5.2
1972	1,183.0	664.2	518.8	85.3	72.7	24.3	2.4
1973	1,301.0	703.0	598.0	88.1	76.6	30.7	2.7
1974	1,200.6	652.3	548.3	105.0	83.3	23.0	1.9
1975	⁴ 1,193.2	⁴ 670.7	⁴ 522.5	99.8	93.2	259.0	18.4
1976	⁴ 1,143.0	⁴ 655.0	⁴ 485.0	110.4	106.0	276.9	21.1
1977					113.8		
Burley, type 31							
1967	598.0	544.6	53.4	71.8	61.8	64.2	11.9
1968	571.0	516.1	54.9	73.7	63.5	56.2	10.0
1969	565.2	507.1	58.1	69.6	65.8	158.2	26.8
1970	557.4	503.0	54.4	72.2	68.6	47.7	8.5
1971	569.9	515.2	54.7	80.9	71.5	.2	...
1972	609.6	534.5	75.1	79.2	74.9	22.9	3.9
1973	619.0	533.1	86.8	92.9	78.9	.7	.1
1974	586.7	518.8	67.9	113.7	85.8	2.8	.4
1975	602.5	510.1	92.4	105.6	96.1	50.7	7.9
1976	⁴ 615.0	⁴ 515.0	⁴ 100.0	114.2	109.3	46.6	7.0
1977					117.3		

¹ July 1 for flue-cured; October 1 for burley. ² Sales. ³ Subject to revision. ⁴ Estimated; production is based on intended acreage and projected yield.

Table 9—Tobacco loan stocks, 1975-77

(Farm-sales weight)

Type	End of May		
	1975	1976	1977
	Million pounds	Million pounds	Million pounds
Flue-cured, 11-14	184.8	353.1	² 594.1
Uncommitted	99.7	340.1	564.8
Burley, 31	41.4	53.0	² 84.4
Uncommitted	0	45.6	51.0
Virginia, 21	0	.1	.1
Kentucky-Tennes- see, 22-23	(¹)	.3	0
Kentucky-Tennes- see, 35-36 .....	.6	(¹)	(¹)
Ohio, 42-44	0	0	.4
Puerto Rican, 46	1.4	0	0
Connecticut Valley, 51-52	1.6	.8	1.8
Wisconsin, 54-55	(¹)	(¹)	(¹)
Total	229.8	487.3	680.8

¹ Negligible. ² April 30.

Compiled from records of Tobacco and Peanut Division, ASCS.

10 percent. For the 1974-76 crops, flue-cured producers' planted acreage was not a condition of price support. Numerous producers and farm organizations requested that producers comply with acreage allotments. A tolerance is provided to accommodate mechanization and the practice of leaving the inferior tobacco unharvested. Marketings in excess of the farm poundage allotment are deducted from the following year's quota while those in excess of 110 percent of the quota are penalized 83 cents per pound.

USDA announced on May 25 the proposed 1977 loan rates for the various grades of flue-cured tobacco. Rates range from 73 cents to \$1.47 a pound reflecting the national average support level of \$1.138 a pound. This is about 7 percent above 1976. The largest increases were for leaf grades, which typically account for over half of the farm sales and have been in strongest demand in recent years.

As in the past, no price support will be offered in 1977 on any tobacco graded N2 (second quality nondescript), No-G (no grade), U (unsound), W

Table 10—Flue-cured and burley tobacco: Marketing quota and marketings, 1965-77

Year	Quota		Marketings				Net Carryover ²
	Basic	Effective	Actual	Over-quota	Under-quota	Effective under quota ¹	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Flue-cured, types 11-14							
1965	1,126.0	1,124.4	1,055.5	27.1	96.0	91.2	64.0
1966	1,135.0	1,199.0	1,107.9	35.0	126.1	111.1	76.1
1967	1,126.3	1,202.4	1,247.5	77.9	30.8	18.4	-59.5
1968	1,127.5	1,067.9	996.4	26.5	96.6	86.1	59.6
1969	1,127.4	1,187.0	1,052.1	26.6	157.9	145.9	119.3
1970	1,071.5	1,190.8	1,178.2	65.1	71.2	63.4	-1.7
1971	1,071.6	1,069.9	1,076.3	60.4	49.9	45.8	-14.5
1972	1,071.2	1,056.7	1,022.1	41.2	72.9	68.1	26.8
1973	1,178.7	1,205.6	1,159.0	54.8	100.5	95.3	40.5
1974	1,296.6	1,337.1	1,245.3	50.0	138.9	132.4	82.5
1975	1,491.4	1,572.3	1,414.6	50.9	203.2	192.3	141.0
1976 ³	1,268.1	1,409.1	1,316.0	49.4	139.9	129.4	80.0
1977 ³	1,115.9	1,195.9					
Burley, type 31							
1971	555.1	553.0	471.5	9.7	91.1	89.7	80.1
1972	531.5	611.5	588.6	30.7	45.7	44.6	13.9
1973	559.7	573.6	460.7	11.3	113.1	111.7	100.3
1974	606.5	706.8	610.4	23.0	118.9	104.0	81.0
1975	669.5	750.4	639.9	21.8	127.5	113.4	91.6
1976 ³	634.8	726.4	663.6	33.1	96.2	82.5	49.4
1977 ³	634.3	683.7					

¹ Under quota marketing less ineligible carryover. ² Effective under quota marketings less over quota marketings. ³ Subject to revision.

Compiled from records and reports of Tobacco and Peanut Division, ASCS.

(doubtful keeping order), or scrap. Marketings of such tobacco will be charged against individual farm quotas to discourage the marketing of these grades.

Leasing regulations have been changed to limit leasing after June 14 to the difference between expected production from planted acreage and actual production. Also, the receiving farm may not lease in more than the difference between the farm quota and poundage for marketing.

New Grade Standards

This spring USDA issued revised standard grades for flue-cured tobacco. More stringent waste tolerances have been established for the non-descript group. A more precise definition of foreign matter is given. The buildup in loan stocks of low-stalk grades and the accompanying problems of sand and other foreign matter have affected the overall quality of tobacco. USDA is cooperating with State organizations and farm groups in publicizing the change.

Flue-Cured Production Costs Rising

Unit costs of producing flue-cured tobacco in 1977 are estimated 5 to 6 percent higher than last season. This estimate excludes quota rent or any return to land and management. Preharvest costs probably have risen only 2 to 3 percent but harvest costs may run 6 to 8 percent higher. The smaller gain in preharvest cost is attributable to stable or lower agricultural chemical and fertilizer prices. Costs of machinery, barns, fuel, and wage rates are

5 to 10 percent higher than a year ago. Electricity rates are more than 10 percent higher than a year ago. A detailed estimate will be published in the September 1977 issue of *Tobacco Situation* (Verner Grise).

Flue-Cured Growers Again Designate Warehouses

By the April 8 deadline, growers of flue-cured tobacco had designated 96 percent of their marketable quota to the auction warehouses where they wish to market their 1977 crop (table 11). This procedure began in 1974 as a requirement for price support and has resulted in most producers receiving equitable marketing opportunities and in much more orderly marketing than had prevailed previously. Sales schedules and inspection services are provided at individual warehouses on the basis of quantity of tobacco designated.

After growers make warehouse designations at their local Agricultural Stabilization and Conservation Service office, grower lists are prepared for each warehouse and the information sent to the Flue-cured Tobacco Advisory Committee. Besides opening dates and sales schedules, the Committee recommends the geographic areas to be included in specific marketing areas.

As occurred last year, sales opportunity for undesignated tobacco will be based on positive actions by growers indicating they wish to sell their tobacco on undesignated marketing cards. Assignment is in proportion to each warehouse's share of a marketing area's volume of designated tobacco.

Table 11—Flue-cured tobacco: Effective farm quotas, designations, and marketings, 1976-77¹

Type and State or marketing area	Effective farm quotas		Initial designation ²		Final designation		Marketings	
	1977	Change from 1976 ³	1976	1977	1975	1976	1975	1976
	Million pounds	Percent	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
11-Virginia (E)	113	-19.0	164	—	174	172	112	123
11-North Carolina (D,E) .	288	-19.7	271	—	291	287	271	339
Total	401	-19.5	435	359	465	459	383	462
12-North Carolina (C) . .	398	-15.4	576	487	661	591	528	433
13-North Carolina (B) . .	140	-9.7	118	—	191	163	189	153
13-South Carolina (B) . .	101	-11.7	156	—	162	123	135	110
Total	241	-10.4	274	248	353	286	324	263
14-Alabama	1	0	—	—	—	—	1	1
14-Florida (A)	25	-21.9	32	—	35	32	28	30
14-Georgia (A)	132	-5.0	153	—	178	158	151	123
Total	158	-8.7	185	171	213	190	180	154
Total, types 11-14 ³ . .	1,197	-15.0	1,471	1,265	1,691	1,527	1,415	1,313

¹ Data may not add to totals due to rounding. ² Growers are allowed to designate 110 percent of their effective quotas. ³ Computed from unrounded data. Compiled from reports from

Tobacco Division, Agricultural Marketing Service and Tobacco and Peanut Division, Agricultural Stabilization and Conservation Service.

Provisions have been made again for growers wishing to change their designation during the marketing season. Growers are allowed to redesignate their tobacco during the 5 working days ending on the first Friday in each month after markets have opened.

BURLEY

Burley Packaging Experiments Reviewed

A wide diversity of views have been voiced by farm organizations, marketing organizations, exporters, and domestic manufacturers about the desirability of changing the customary burley marketing procedure (several leaves tied at the butt end with a tobacco leaf, and sold in lots averaging over 400 pounds each). Budget estimates indicate stripping and marketing take from 40 to 50 percent of the labor required for burley production.

In the experimental untied sales this past season, buyers agreed in advance to pay prevailing prices for comparable burley grades. Under tobacco grading rules, untied burley is ineligible for standard grade designations and hence does not qualify for price support. USDA officials have indicated they are studying all available data and views before deciding about the marketing procedure.

Burley Use Up Slightly

Exports were ahead but domestic use of burley fell slightly in the first half of the marketing year (October-March). At 323 million pounds, disappearance was 3 percent above a year earlier. Domestic use totaled 268 million pounds, down 8 million, although cigarette output rose 1 percent.

The overall tobacco weight per cigarette is again dropping, but evidently manufacturers have reduced the burley share (both imported and domestic) as more low tar-nicotine and mild, filter cigarettes are produced.

For the first 7 months of the marketing year, burley exports totaled 65 million pounds, 1 million above a year earlier. Italy, Switzerland, West Germany, Thailand, and Japan took more. Egypt, Syria, and Philippines purchases declined. On an unstemmed-leaf basis, burley exports averaged \$1.58 per pound this past October-April, up slightly from a year earlier.

Carryover Rising

Despite last year's moderate carryin, burley users have maintained usage. By April 1, with the larger 1976 crop in storage, stocks totaled 1,502 million pounds, about 5 percent larger than a year earlier. On April 30, loan holdings were 81 million pounds, about 29 million larger than a year earlier. However, steady domestic use and an increase in exports, to meet rising production of cigarettes, are expected to increase disappearance by 13 million pounds. Even this increase in disappearance will not offset the 1976 crop resulting in an increase in carryover by about 4 percent to around 1,210 million pounds on October 1 (table 12).

In addition, burley growers have 20 million pounds of overquota tobacco remaining from the 1976 crop. Rather than sell this tobacco last season and pay a stiff penalty, growers arranged with warehouses for delivery, processing, and storage. Sales will occur after the 1977/78 marketing year begins on October 1, and apply on the 1977 crop quota.

Table 12—Burley tobacco: Farm marketings by State and across-state line movement, 1976 crop

State	Total farm marketings	Sold in—								Total sold out of state
		Ind.	Ky.	Mo.	N.C.	Ohio	Tenn.	Va.	W. Va.	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Indiana	18.1	11.3	6.8			(¹)				6.8
Kentucky	455.4	2.9	447.0			0.3	5.2	(¹)	0.1	8.4
Missouri	5.2		0.2	5.0		(¹)				0.2
North Carolina	19.8		(¹)		15.7		4.0	0.1		4.1
Ohio	20.4		6.1			12.9			1.4	7.5
Tennessee	118.5		1.9		0.5		110.3	5.8		8.2
Virginia	23.2		(¹)		1.0		0.4	21.7		1.5
West Virginia	3.0		0.2		(¹)	(¹)	(¹)	(¹)	2.7	0.3
Total ²	663.6	14.2	462.2	5.0	17.2	13.2	119.9	27.6	4.2	37.1

¹ Less than 50,000 pounds. ² Includes 114,000 pounds produced in Alabama, Arkansas, Georgia, Illinois, Kansas, and South Carolina.

Details may not add to total due to rounding.

Compiled from records of Tobacco and Peanut Division, ASCS.

The effective 1977 burley poundage quota is down 6 percent. April 1 intentions indicated farmers planned to set about 4 percent less burley acreage than last year. Assuming yields near the 1971-75 average, production will total 625 million pounds, down about 40 million pounds from last year's crop. Indicated carryover, plus the projected crop, would result in 1977/78 supply about the same as this year's 1.8 billion pounds.

SOUTHERN MARYLAND

Crop Larger, Supply Smaller

A continued decline in supply for Maryland tobacco (type 32) relative to demand has maintained auction prices at a record high. Prices averaged \$1.10 per pound through June 14, about the same as a year earlier. Maryland tobacco goes almost entirely into cigarettes. Quality was about the same and prices of all grades were close to last season. Auction sales began April 13 and ended June 16. Sales of the 1976 crop in Southern Maryland were about one-fifth above the small 1975 crop outturn, but 2 million pounds below the crop estimate. The yield was up from the previous year's weather-reduced crop.

Growers have not approved marketing quotas since the 1965 crop and Maryland tobacco has not been eligible for government price support. Supplies have dropped about 30 percent since 1966.

Disappearance during the first half of the marketing year (October 1976-March 1977) was 10.6 million pounds, about 1.5 million below a year earlier. Domestic disappearance declined, but exports increased. In the first 7 months of the current marketing year, exports were 1.5 million pounds above

a year earlier with most of the gain represented by Switzerland.

Carryover May Drop Again

For the 1976/77 season ending in September, disappearance of Maryland tobacco is expected to drop 4 million pounds from last season's 35 million pounds (table 13). Supplies are below last season. Carryover next January 1, (the date used for marketing quota calculations) may drop below this year.

Based on the April planting intentions report and average yield, the 1977 crop may equal the 1976 outturn. Over the past decade, harvested acreage generally has fallen about 5 percent short of spring plans. April plans are made before the previous season's crop has been marketed (mid-April to mid-June). But if the prospective crop is achieved, the supply for 1976/77 would be about 3 percent below the 71 million pounds for this season.

FIRE-CURED

Disappearance Rises

Disappearance of fire-cured tobacco (types 21-23) during the first half of the marketing year that began October 1, 1976, was about 21 million pounds, up 4 million pounds from the lowest on record. Exports were up about 1 million pounds. Record crop prices may have contributed to the slowdown in use in the two previous seasons. This year, buyers apparently needed to replenish small stocks from a larger crop (table 14). A fire destroyed 400,000 pounds of Virginia tobacco in

Table 13—Southern Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, 1968-77

Marketing year	Acreage harvested	Yield per acre	Supply			Disappearance ¹			Average price per pound to growers
			Production	Stocks, Jan. 1	Total	Total	Domestic	Exports	
	Thousand acres	Pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
1968	29.0	1,100	31.9	81.5	113.4	48.7	38.3	10.4	69.8
1969	26.5	1,060	28.1	66.7	94.8	41.3	29.1	12.2	75.1
1970	27.0	1,090	29.4	50.1	79.5	39.5	27.6	11.9	78.6
1971	27.0	1,040	28.1	46.0	74.1	25.5	17.5	8.0	81.9
1972	24.0	990	23.8	46.6	70.4	25.5	13.4	12.1	84.5
1973 ²	27.8	1,260	35.0	43.8	78.8	26.1	13.8	12.3	87.8
1974 ²	26.0	1,260	32.8	51.7	84.5	33.5	25.0	8.5	92.2
1975 ²	23.5	950	21.1	53.6	74.7	34.8	25.1	9.7	107.5
1976 ³	23.0	1,250	28.8	41.9	70.7	⁴ 31.0	20.0	11.0	⁵ 110.3
1977 ⁶	23.0	1,250	28.8	39.0	67.8				

¹ Year beginning October 1. ² Includes sales and certification.

³ Based on Maryland crop and 75 thousand pounds estimated for other States. ⁴ Estimated. ⁵ Sales through June 8. ⁶ Production

based on intended acreage projected yield; includes estimated carryover.

Table 14—Fire-cured tobacco, Kentucky-Tennessee types 22-23, and Virginia fire-cured type 21: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1968-77

(Farm-sales weight)

Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks, October 1—			Total supply
				Manufac- turers and other	Under loan	Total	
	<i>Thousand acres</i>	<i>Pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
Kentucky-Tennessee fire-cured, types 22-23							
1968	17.9	1,822	32.6	57.3	21.5	78.8	111.4
1969	19.0	1,797	34.1	61.1	11.6	72.7	106.8
1970	17.7	1,749	30.9	54.1	9.7	63.8	94.7
1971	19.5	1,928	37.6	48.6	4.7	53.3	90.9
1972	20.4	1,844	37.6	55.0	1.2	56.2	93.8
1973	16.6	1,668	27.7	54.2	3.1	57.3	85.0
1974	16.2	1,602	26.0	44.0	1.1	45.1	71.1
1975	18.4	1,772	32.6	40.5	.1	40.7	73.3
1976 ¹	21.3	1,687	35.9	42.6	(²)	42.6	78.5
1977 ³	22.2	1,710	38.0			43.5	81.5
Virginia fire-cured, type 21							
1968	4.9	1,205	5.9	8.9	2.8	11.7	17.6
1969	5.0	1,340	6.7	8.0	1.9	9.9	16.6
1970	5.0	1,230	6.2	8.4	1.4	9.8	16.0
1971	5.0	1,180	5.9	8.0	1.0	9.0	14.9
1972	4.8	970	4.7	7.9	.4	8.3	13.0
1973	4.7	1,205	5.7	7.6	(²)	7.6	13.3
1974	5.0	1,185	5.9	7.1	---	7.1	13.0
1975	5.0	975	4.9	7.1	.3	7.3	12.2
1976 ¹	5.3	1,000	5.3	7.4	(²)	7.4	12.7
1977 ³	5.2	1,100	5.7			7.7	13.4
Disappearance			Average price per pound	Price support level	Placed under Government loan		
Total	Domestic	Exports			Quantity	Percentage of crop	
<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Cents</i>	<i>Cents</i>	<i>Million pounds</i>	<i>Percent</i>	
Kentucky-Tennessee fire-cured, types 22-23							
1968	38.7	³ 19.1	19.6	51.1	43.1	.4	1.2
1969	43.0	18.5	24.5	48.1	44.6	1.9	5.6
1970	41.4	13.1	28.3	54.4	46.6	(²)	.1
1971	34.7	16.0	18.7	60.8	48.5	(²)	.1
1972	36.5	14.2	22.3	57.3	50.8	2.8	7.4
1973	39.9	15.7	24.2	71.7	53.5	.2	.7
1974	30.3	14.5	15.8	93.4	58.2	.7	2.7
1975	30.7	12.2	18.5	104.7	65.2	.1	.4
1976	⁴ 35.0	⁴ 17.5	⁴ 17.5	140.2	74.1	(²)	---
1977					79.5		
Virginia fire-cured, type 21							
1968	7.7	3.0	4.7	46.9	43.1	.2	3.4
1969	6.8	1.7	5.1	53.1	44.6	.1	1.5
1970	7.0	2.4	4.6	52.0	46.6	.1	2.0
1971	6.6	3.1	3.5	54.8	48.5	.1	1.0
1972	5.4	1.3	4.1	64.2	50.8	(²)	.1
1973	6.2	1.7	4.5	75.5	53.5	(²)	---
1974	5.7	0.7	5.0	81.7	58.2	.3	4.5
1975	4.8	1.4	3.4	93.0	65.2	(²)	.9
1976	⁴ 5.0	⁴ 1.0	⁴ 4.0	118.0	74.1	.1	1.5
1977					79.5		

¹ Subject to revision. ² Less than 50,000 pounds. ³ Based on April 1 prospective plantings and average yield with allowance for trend and estimated stocks. ⁴ Estimated.

Table 15—Dark air-cured tobacco, types 35-36, and Sun-cured tobacco type 37: Acreage, yield production, carryover, supply, disappearance, season average price, and price support operations, 1968-77

(Farm-sales weight)

Marketing year beginning Oct. 1	Acreage harvested	Yield per acre	Production	Beginning stocks			Total supply
				Manufacturers and others	Under loan	Total	
	<i>Thousand acres</i>	<i>Pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
Dark air-cured, types 35-36							
1968	9.8	1,831	18.0	41.1	17.1	58.2	76.2
1969	10.1	1,793	18.1	44.1	15.0	59.1	77.2
1970	8.2	1,863	15.4	35.5	18.2	53.7	69.1
1971	8.6	1,834	15.7	35.5	14.3	49.8	65.5
1972	8.2	1,875	15.5	33.5	12.7	46.2	61.7
1973	7.6	1,647	12.4	31.9	12.8	44.7	57.1
1974	7.0	1,653	11.6	31.4	5.5	36.9	48.5
1975	8.0	1,750	14.0	32.7	(²)	32.9	46.9
1976 ¹	9.3	1,745	16.2	28.2	---	28.2	44.4
1977 ³	9.8	1,750	17.2			22.4	39.6
Sun-cured, type 37							
1968	1.1	1,095	1.2	3.9	0	3.9	5.1
1969	1.1	1,225	1.3	3.8	0	3.8	5.1
1970	1.0	1,100	1.1	3.3	0	3.3	4.4
1971 .....	.9	1,200	1.1	3.1	0	3.1	4.2
1972 .....	.8	1,010	.8	3.0	0	3.0	3.8
1973 .....	.7	1,320	.9	3.2	0	3.2	4.1
1974 .....	.7	1,315	.9	3.0	0	3.0	3.9
1975 .....	.7	930	.7	2.3	0	2.3	3.0
1976 ¹ .....	.7	1,115	.8	2.1	0	2.1	2.9
1977 ³ .....	.7	1,150	.8			2.0	2.8
Disappearance							
			Exports	Average price per pound	Price support level	Placed under Government loan	
Total	Domestic					Quantity	Percentage of crop
<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>		<i>Cents</i>	<i>Cents</i>	<i>Million pounds</i>	<i>Percent</i>
Dark air-cured, types 35-36							
1968	17.1	15.0	2.1	47.4	38.3	.7	3.9
1969	23.5	21.2	2.3	40.3	39.7	4.8	26.5
1970	19.3	16.7	2.6	46.0	41.4	1.0	6.8
1971	19.3	17.4	1.9	47.1	43.1	1.7	10.7
1972	17.0	14.7	2.3	50.3	45.2	1.2	.8
1973	20.2	17.4	2.8	61.9	47.6	(²)	.2
1974	15.6	12.8	2.8	76.9	51.8	.4	3.7
1975	18.7	16.1	2.6	89.8	58.0	.1	.5
1976	⁴ 22.0	⁴ 19.5	⁴ 2.5	116.1	65.9	(²)	---
1977					70.7		
Sun-cured, type 37							
1968	1.3	1.1	.2	53.2	38.3	⁵ 1	.1
1969	1.8	1.5	.3	52.8	39.7	⁵ 1	.1
1970	1.3	1.1	.2	53.8	41.4	⁵ 3	.3
1971	1.2	1.0	.2	54.1	43.1	0	---
1972 .....	.6	.4	.2	57.9	45.2	0	---
1973	1.1	.9	.2	69.2	47.6	0	---
1974	1.6	1.3	.3	82.1	51.8	⁵ 13	1.4
1975 .....	.9	.7	.2	85.5	58.0	0	---
1976	⁴ .9	⁴ .6	⁴ .3	105.0	65.9	0	---
1977					70.7		

¹ Subject to revision. ² Less than 50,000 lbs. ³ Based on April 1 prospective plantings and average yield with allowance for trend and estimated stocks. ⁴ Estimated. ⁵ Quantity placed under Government loan reported in thousand pounds.

December soon after purchase. Severe weather delayed the marketing season.

Due to sharply higher prices in last season's markets, growers of fire-cured tobacco again may increase acreage. According to April 1 planting intentions, increases are expected in Kentucky and Tennessee. On indicated acreage with an average yield, growers would produce a 37-million-pound crop, about 4 percent larger than in 1976 and about 15 percent above the 1970-74 average. The supply for 1977/78 may gain slightly from this season's.

Exports of fire-cured tobacco in 1976/77 may decline from last season. Exports of 11 million pounds of types 22-23 during October 1976-April 1977 were 0.8 million below a year earlier. The Netherlands and France, usually the leading outlets, reduced their takings. Exports of Virginia fire-cured tobacco at 4 million pounds in October 1976-April 1977, were up 0.9 million from a year earlier.

DARK AIR-CURED

Supplies Declining

Total disappearance of dark air-cured and sun-cured tobacco (types 35-37) during the first half of the current marketing year was 12.4 million pounds, 18 percent above a year earlier. Use was up even though the manufacture of plug chewing tobacco—a major domestic outlet for this dark air-cured tobacco—was below a year earlier. Exports of Black Fat tobacco—a semi-processed product of mostly dark air-cured and fire-cured leaf—decreased about 10 percent in October 1976-April 1977 from the year-earlier level of 1.4 million pounds. Almost all goes to West African destinations. Domestic disappearance was up and exports were down slightly. For the year ending September 30, 1977, total disappearance may

increase, and exceed last year's crop, reducing carryover again (table 15). (See page 20).

Growers of dark air-cured and sun-cured tobacco plan to harvest about 5 percent more acreage this year than last year's 10 thousand acres. With lower carryin stocks, the 1977/78 supply will drop below the 47 million pounds in 1976/77 by about 4 million.

CIGAR TOBACCO

1977 Prospects

Supplies of domestic-grown cigar tobacco are smaller again this year, due to the lower carryover stocks. Production in 1977/78 is projected about the same as last year's crop even though intended acreage is down 3 percent. Considering average yields, a 4-percent increase is expected for the filler crop. Binder output may increase slightly with closer-to-average yields than last season. Wrapper production may decline by almost one-fifth.

April 1 holdings of U.S. and Puerto Rican cigar tobacco (types 41-62) totaled 140 million pounds, slightly below a year earlier. The decrease was primarily in the binder and wrapper types as holdings of filler increased. On April 1, U.S. stocks of foreign-grown cigar tobacco totaled 111 million pounds, about 88 percent of a year earlier.

During October 1976-April 1977, manufacturers used about the same amount of imported cigar tobacco as a year earlier. Imports from Brazil gained while those from most other sources declined (table 16).

Another decrease has occurred in wrapper acreage. Plantings are down in 1977 after a decline in prices for Connecticut Valley wrapper, and production remains low in Georgia-Florida. This year, USDA again suspended Connecticut Valley binder

Table 16—Foreign grown cigar leaf tobacco U.S. imports and stocks, 1974-77

(Farm sales weight)

Country of origin	October-September	Imports for consumption ¹ October-April				Dealers and manufacturers, stocks, April 1—			
		1975-76	1973-74	1974-75	1975-76	1976-77 ¹	1974	1975	1976
		Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Philippines	27.0	14.9	10.4	14.7	13.0	35.3	38.7	46.0	35.7
Dominican Republic ..	16.0	9.0	9.6	9.3	8.5	22.8	24.5	18.7	18.9
Brazil	24.8	7.0	11.7	12.9	18.7	7.9	7.6	6.6	6.5
Columbia	6.5	4.2	4.4	4.6	2.2	9.8	10.7	8.9	7.8
Paraguay	4.7	3.2	5.3	3.0	3.0	7.1	10.8	7.4	7.3
Mexico	7.6	13.9	12.7	3.8	1.6	4.4	5.5	3.8	3.8
Indonesia	8.5	3.9	4.2	4.8	3.4	10.6	10.7	12.7	11.4
All other	51.3	28.1	29.5	28.3	30.0	22.5	20.7	21.4	19.6
Total	146.4	84.2	87.8	81.4	80.4	120.5	129.2	125.6	111.0

¹ Includes scrap tobacco from some countries that may be used for cigarette manufacture.

Table 17—Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, 1968-77

Crop year	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks	Total supply	Total	Domestic	Exports	
	Thousand acres	Pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Pennsylvania Seedleaf Filler (type 41)									
1968	21.0	1,775	37.3	108.7	146.0	40.9	40.0	.9	30.0
1969	20.0	1,825	36.5	105.1	140.6	44.3	43.7	.6	30.0
1970	17.0	1,800	30.6	97.3	127.9	40.9	40.7	.2	31.0
1971	15.2	1,610	24.5	87.0	111.5	41.3	40.6	.4	36.0
1972	13.0	1,400	18.2	70.2	88.4	34.7	34.4	.3	46.0
1973	13.0	1,700	22.1	53.7	75.8	28.3	27.5	.8	52.0
1974	13.0	2,000	26.0	47.5	73.5	24.3	24.0	.3	58.0
1975	12.0	1,650	19.8	49.2	69.0	22.2	21.8	.4	58.0
1976 ³	13.5	1,750	⁴ 23.6	46.8	70.4	² 23.0	² 22.6	² .4	60.0
1977	12.5	1,750	⁴ 22.0	47.4	69.4				
Ohio, Miami, Valley Filler (types 42-44)									
1968	2.0	1,670	3.4	12.9	16.3	5.4	5.4	---	31.0
1969	1.7	1,650	2.8	10.9	13.7	4.7	4.7	---	32.5
1970	1.6	1,750	2.9	9.0	11.9	4.1	4.1	---	38.0
1971	2.0	1,850	3.8	7.8	11.6	4.6	4.6	---	41.0
1972	2.4	1,780	4.2	7.0	11.2	4.4	4.4	---	44.0
1973	2.2	1,420	3.1	6.8	9.9	4.0	4.0	---	51.0
1974	2.0	1,530	3.1	5.9	9.0	3.1	3.1	---	59.0
1975	1.8	1,660	3.0	5.9	9.1	² 3.4	² 3.4	---	60.0
1976 ³	1.9	1,650	⁴ 3.1	5.7	8.8	² 3.2	² 3.2	---	59.0
1977	1.7	1,650	⁴ 2.8	5.1	8.5				
Puerto Rico Filler (type 46) ⁵									
1968	6.0	1,282	7.6	34.4	42.0	16.2	16.2	---	33.3
1969	4.7	1,303	6.1	25.8	31.9	12.6	12.6	---	33.6
1970	3.2	1,397	4.5	19.3	23.8	8.8	8.8	---	36.1
1971	4.8	1,418	6.7	15.0	21.7	9.0	9.0	---	39.8
1972	5.6	883	4.8	12.7	17.5	8.3	8.3	---	42.1
1973	4.5	1,435	6.5	9.2	15.7	5.7	5.7	---	42.1
1974	2.7	1,477	3.9	10.0	14.0	7.9	7.9	---	45.5
1975	2.7	1,500	4.3	6.1	10.4	² 3.2	² 3.2	---	50.7
1976 ³	3.2	1,470	⁴ 4.7	7.2	11.9	² 4.0	² 4.0	---	50.7
1977	3.2	1,500	⁴ 4.8	7.9	12.6				
Total Cigar Filler (types 41-46)									
1968	29.0	1,666	48.3	156.0	204.3	62.5	61.6	.9	30.5
1969	26.4	1,721	45.4	141.8	187.2	61.6	61.0	.6	30.6
1970	21.8	1,737	38.0	125.6	163.6	53.8	53.6	.2	32.1
1971	22.0	1,587	35.0	109.8	144.8	54.9	54.5	.4	37.3
1972	21.0	1,293	27.2	89.9	117.1	47.4	47.1	.3	45.0
1973	19.7	1,450	31.7	69.7	101.4	38.0	37.2	.8	49.7
1974	18.0	1,850	33.1	63.4	96.5	35.3	35.0	.3	56.6
1975	17.3	1,630	27.3	61.2	88.5	² 28.8	² 28.4	² .4	56.2
1976 ³	18.6	1,690	⁴ 31.4	59.7	91.1	² 30.2	² 29.8	² .4	58.5
1977	17.4	1,700	⁴ 29.6	61.0	90.6				
Connecticut Valley Binder (types 51-52)									
1968	1.6	1,808	2.8	11.2	14.0	5.1	4.7	.4	59.5
1969	1.6	1,434	2.3	8.9	11.2	4.2	3.9	.3	58.2
1970	1.7	1,756	2.9	7.0	9.9	2.7	2.4	.3	65.5
1971	1.6	1,743	2.8	7.2	10.0	2.6	2.5	.1	65.1
1972	1.6	1,600	2.5	7.4	9.9	2.4	2.3	.1	70.1
1973	1.6	1,721	2.7	7.5	10.2	3.2	3.1	.1	72.8
1974	1.5	1,737	2.5	7.0	9.5	3.3	3.1	.2	82.0
1975	1.5	1,568	2.4	6.2	8.6	² 4.4	² 4.2	² .2	92.7
1976 ³	1.5	1,605	⁴ 2.4	4.2	6.9	² 3.0	² 2.8	² .2	89.6
1977	1.5	1,650	⁴ 2.4	3.9	6.3				
Southern Wisconsin Binder (type 54)									
1968	3.7	1,990	7.4	19.9	27.3	7.7	7.7	---	36.8
1969	3.7	1,740	6.4	19.6	26.0	9.3	9.3	---	36.8
1970	4.4	2,135	9.4	16.7	26.1	7.3	7.3	---	40.2
1971	5.3	2,270	12.0	18.8	30.8	10.5	10.5	---	50.3
1972	5.0	1,685	8.4	20.3	28.7	9.3	8.3	---	48.0
1973	4.9	1,950	9.6	19.4	29.0	10.1	10.1	---	60.5
1974	4.7	2,060	9.7	18.9	28.6	8.8	8.8	---	74.9
1975	5.6	1,945	10.9	19.8	30.7	7.5	7.5	---	75.1
1976 ³	5.6	1,735	⁴ 9.7	23.2	32.9	² 8.0	² 8.0	---	75.1
1977	6.0	1,900	⁴ 11.4	24.9	36.3				
Northern Wisconsin Binder (type 55)									
1968	4.0	1,670	6.7	28.9	35.6	14.9	14.5	.4	37.9
1969	3.7	1,815	6.7	20.7	27.4	8.8	8.5	.3	43.4
1970	4.4	2,055	9.0	18.6	27.6	9.2	9.1	.1	52.0
1971	5.3	1,980	10.5	18.4	28.9	9.9	9.9	*	54.0
1972	5.8	1,770	10.3	19.0	29.3	9.8	9.8	*	49.0
1973	5.3	1,775	9.4	19.5	28.9	12.0	12.0	*	60.7
1974	4.7	1,870	8.8	16.9	25.7	9.9	9.9	*	75.4
1975	5.4	1,835	9.9	15.8	25.7	9.7	9.7	*	75.1
1976 ³	5.5	1,710	⁴ 9.4	16.0	25.4	² 13.4	² 13.4	*	75.2
1977	5.5	1,850	⁴ 10.2	12.0	22.2				

See footnotes at end of table.

Table 17—Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1968-77—Cont.

(Farm-sales weight)

Crop year	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks ¹	Total supply	Total	Domestic	Exports	
	Thousand acres	Pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Total Wisconsin Binder (types 54-55)									
1968	7.7	1,824	14.1	48.8	62.9	22.6	22.2	.4	37.3
1969	7.4	1,778	13.1	40.3	53.4	18.1	17.8	.3	41.8
1970	8.8	2,095	18.4	35.3	53.7	16.5	16.4	.1	51.1
1971	10.6	2,125	22.5	37.2	59.7	20.4	20.4	*	54.9
1972	10.8	1,731	18.7	39.3	58.0	19.1	19.1	*	48.5
1973	10.2	1,859	19.0	38.9	57.9	22.2	22.2	*	60.6
1974	9.4	1,965	18.5	35.8	54.3	18.7	18.7	*	75.1
1975	11.0	1,891	20.8	35.6	56.4	² 17.2	² 17.2	*	75.1
1976 ³	11.1	1,723	⁴ 19.1	39.3	58.4	² 21.4	² 21.4	² *	75.2
1977 ³	11.5	1,800	⁴ 21.6	37.0	58.6				
Total Cigar Binder (types 51-55)									
1968	9.3	1,821	16.9	60.0	76.9	27.7	26.9	.8	41.0
1969	9.0	1,716	15.4	49.2	64.6	22.3	21.7	.6	44.3
1970	10.5	2,041	21.3	42.3	63.6	19.2	18.8	.4	53.1
1971	12.2	2,075	25.3	44.4	69.7	23.0	22.9	.1	56.1
1972	12.4	1,714	21.2	46.7	67.9	21.5	21.4	.1	51.1
1973	11.8	1,841	21.7	46.4	68.1	25.4	25.3	.1	62.1
1974	10.9	1,934	21.0	42.8	63.8	22.0	21.8	.2	76.0
1975	12.5	1,851	23.2	41.8	65.1	² 21.6	² 21.4	² .2	76.9
1976 ³	12.6	1,709	⁴ 21.5	43.5	65.0	² 24.4	² 24.2	² .2	76.8
1977 ³	13.0	1,850	⁴ 24.0	43.3	67.4				
Connecticut Valley Shade-grown (type 61)									
1968	8.4	1,215	10.2	12.7	22.9	10.8	9.1	1.7	280.0
1969	6.3	1,288	8.1	12.1	20.2	8.0	7.0	1.0	400.0
1970	6.0	1,535	9.3	12.2	21.5	7.6	6.6	1.0	400.0
1971	4.7	1,635	7.7	13.9	21.6	8.4	5.7	2.7	400.0
1972	4.1	1,250	5.1	13.2	18.5	7.6	4.8	2.8	485.0
1973	5.0	1,210	6.1	10.7	16.8	8.3	6.4	1.9	515.0
1974	4.8	1,625	7.8	8.5	16.3	6.8	2.8	3.9	600.0
1975	4.4	1,371	6.0	9.5	15.5	² 7.9	² 4.1	² 3.8	640.0
1976 ³	4.2	1,555	⁴ 6.6	7.6	14.2	² 5.0	² 2.0	² 3.0	540.0
1977 ³	3.4	1,450	⁴ 4.9	9.2	14.1				
Georgia-Florida Shade-grown (type 62)									
1968	5.0	1,556	7.9	8.8	16.7	9.2	7.1	2.1	270.0
1969	5.0	1,569	7.8	7.5	15.3	6.1	5.2	.9	280.0
1970	3.6	1,590	5.6	9.2	14.8	6.7	5.8	.9	270.0
1971	3.0	1,582	4.7	8.1	12.8	6.2	5.4	.8	262.0
1972	3.0	1,517	4.6	6.6	11.2	4.2	3.8	.4	280.0
1973	2.6	1,413	3.7	7.0	10.7	4.2	3.7	.5	350.0
1974	1.9	1,724	3.2	6.5	9.7	3.6	3.1	.5	380.0
1975	1.1	1,556	1.7	6.2	7.9	² 1.9	² 1.0	² .9	400.0
1976 ³	.4	1,680	⁴ .6	6.0	6.6	² 3.0	² 2.5	² .5	395.1
1977 ³	.1	1,600	⁴ .2	3.6	3.8				
Total Shade-grown (types 61-62)									
1968	13.4	1,343	18.1	21.5	39.6	20.0	16.2	3.8	276.0
1969	11.3	1,411	15.9	19.6	35.5	14.1	12.2	1.9	341.3
1970	9.6	1,555	14.9	21.4	36.3	14.3	12.4	1.9	351.0
1971	7.7	1,614	12.4	22.0	34.4	14.6	11.1	3.5	347.5
1972	7.1	1,365	9.7	19.8	29.5	11.8	8.6	3.2	387.0
1973	7.6	1,280	9.8	17.7	27.5	12.5	10.1	2.4	452.2
1974	6.6	1,652	11.0	15.0	26.0	10.4	6.0	4.4	536.1
1975	5.5	1,409	7.7	15.7	23.4	² 9.8	² 5.1	² 4.7	585.7
1976 ³	4.6	1,565	⁴ 7.2	13.6	20.8	² 8.0	² 4.5	² 3.5	528.2
1977 ³	3.5	1,455	⁴ 5.7	12.8	17.9				
Grand Total Cigar Tobacco (types 41-62)									
1968	51.7	1,610	83.3	237.5	320.8	110.2	104.7	5.5	85.9
1969	46.7	1,645	76.7	210.6	287.3	98.0	94.9	3.1	97.7
1970	41.9	1,771	74.2	189.3	263.4	87.3	84.8	2.5	102.3
1971	41.9	1,734	72.7	176.2	248.9	92.5	88.5	4.0	96.7
1972	40.4	1,434	58.1	156.4	214.5	80.7	77.1	3.6	104.4
1973	39.1	1,627	63.2	133.8	197.0	75.9	72.6	3.3	116.1
1974	35.5	1,834	65.3	121.2	186.3	67.7	62.8	4.9	142.5
1975	35.4	1,635	57.9	118.6	176.5	² 60.3	² 54.5	² 5.8	135.1
1976 ³	34.8	1,700	⁴ 60.1	116.8	176.9	² 62.6	² 58.5	² 4.1	121.4
1977 ³	33.9	1,730	⁴ 58.7	114.3	173.0				

¹ October 1 for types 41-55; July 1 for types 61-62. ² Estimated. ³ Includes estimated carryover. ⁴ Estimated production based on April 1 intended acreage and projected yields. ⁵ Excludes payment by Puerto Rican Government; 23 cents per pound in 1976. Puerto Rican planting occurs late in calendar year; projected for 1977. ⁶ Evaluated at 50.7 cents per pound. * Less than 50,000 pounds.

allotments (types 51-52). Also, USDA transferred filler and binder allotments (types 42-44 and 53-55) to growers who wanted to increase their 1977 plantings. Under terms of this annual reallocation, USDA transferred the allotments from growers who did not wish to use their allotments this year. In Wisconsin, 2,438 acres were reallocated, and 1,084 acres were reallocated in Ohio.

Filler Supply Up, Disappearance Remains Low

Disappearance of cigar filler during October-March was 19 million pounds, 1 million pounds above the low level a year earlier. Virtually all cigar filler goes for domestic use. Short supplies and declining cigar production contributed to declines in disappearance in most recent years.

Based on historical trends and partial 1976/77 data, filler tobacco disappearances may remain about 25 percent below that of three seasons ago (1973/74). Declines are indicated for Ohio and Puerto Rican types. Since filler disappearance is expected to be below production by about 2 million pounds, carryover on October 1 may rise to around 62 million pounds, just over last season's record low (table 17).

Binder Disappearance Mixed

Cigar binder disappearance for October 1976-March 1977, was 12 million pounds, slightly above a year earlier. Wisconsin binder (types 54-55)

increased slightly while Connecticut Valley binder (types 51-52) declined about 1 million pounds.

Disappearance of Connecticut Valley binder tobacco for 1976/77 is estimated below last season's output so carryover this October 1 may rise by 2 million pounds from the very low level in 1976.

Despite gains in production of looseleaf chewing tobacco and the more expensive categories of cigars, use may not rise much above the 22 million pounds of last season. Therefore, carryover stocks will probably remain near 43 million pounds.

Wrapper Use Continues to Decline

A decline in domestic cigar production and rising costs of leaf production curtailed both the use and supply of shade-grown wrapper (types 61-62) in recent years. Disappearance during July 1976-March 1977 was 6 million pounds, down 1 million from a year earlier, continuing the long term trend. Although the average price to growers declined 10 percent last season, no break in the decline in cigar wrapper disappearance is expected. Carryover will be down about a tenth. During the first 10 months of the marketing year, cigar wrapper exports were 3 million pounds, down almost 1 million from a year earlier. The United Kingdom, the major destination, took less earlier in the year than last year, as high U.K. duties continue to discriminate against U.S. tobacco relative to other wrapper sources.

WORLD TRADE HIGHLIGHTS²

Import Highlights

The United States with imports for consumption of 141 thousand tons (311 million pounds) and 158 thousand tons arrivals (348 million pounds), last year ranked third as an importer of cigarette and cigar tobaccos, mainly for blending with domestic types. The United Kingdom and West Germany, ranked first and second, respectively, among tobacco-importing countries (table 20).

Japan, the principal buyer of U.S. tobacco, imported a record 56.5 thousand tons of U.S. tobacco in 1976—up sharply from relatively low imports in 1975 and well over half of Japan's imports. The Japan Tobacco Corporation's overall imports reflect changes in Japan's domestic production levels. Cigarette price increases in December 1975 contributed to a 10-percent drop in Japan's cigarette sales in 1976.

²Weight references in tons are metric ton, i.e., 2,204.6 pounds.

Table 18—Exports of unmanufactured tobacco from the leading exporting countries, 1972-76

Country	1972	1973	1974	1975	1976 ¹
<i>Million pounds</i>					
United States	606	613	651	563	578
Turkey	269	239	248	145	177
Greece	163	101	148	112	119
India	176	183	177	170	175
Rhodesia ²	120	80	80	100	120
Brazil	142	143	205	223	223
Philippine Republic	84	74	75	84	51
Dominican Republic	72	69	91	69	73
Canada	53	62	74	58	57
Malawi	54	59	59	² 68	70
Total 10 countries	1,739	1,623	1,808	1,592	1,653
<i>Ten countries as percentage of world total</i>					
<i>Percent</i>					
	74	69	66	63	NA

¹ Subject to revision. ² Estimated. NA—Not Available.

Of *European Community* imports of 519 thousand tons in 1976, imports from the U.S. of 121 thousand tons were down 6 percent. Duty discrimination against U.S. tobacco relative to other sources has been a factor in the decline in U.S. tobacco share.

West Germany's tobacco imports rose to almost 144 thousand tons. The United States remained the leading tobacco supplier. West Germany was the U.S.'s second largest customer, taking 43 thousand tons in 1976. Nevertheless, the increasing amount coming from developing countries under EC preferential tariff treatment is placing U.S. tobacco at a competitive disadvantage.

United Kingdom's imports rose slightly to 144.5 thousand tons in 1976, but imports from the U.S. fell 13 percent to 35.2 thousand tons. Prospects for U.S. exports in 1977 are dimmed due to U.K. cigarette tax increases and declining tobacco consumption.

As part of the EC's cigarette tax harmonization scheme, the *United Kingdom's* tobacco revenue tax structure was changed in 1976. An ad valorem tax on the retail cigarette price was introduced, which raised cigarette prices about 10 percent. This tax change was followed by a 10-percent surcharge which raised the tax on unmanufactured tobacco and raised retail cigarette taxes to 22 percent. (An ad valorem tax gives price advantages to less expensive tobacco grown in the EC and to nations receiving EC duty preference rates.) In March 1977, the tax on cigarettes was raised 7 cents per pack bringing the price of the cheapest cigarettes to about 84 cents. This latest increase is expected to further retard both tobacco consumption growth in the United Kingdom and U.S. tobacco exports to that destination.

Heavy advertising for cigarette brands made of synthetic material mixed with tobacco has started in Britain. Sales of synthetic tobacco brands have been poor in West Germany and have been a limited success in Switzerland since 1975. The new cigarettes will contain 29-40 percent of the cellulose "new smoking material" and taste much like low-tar cigarettes. Some U.K. manufacturers believe the allowance of additives, particularly flavors, will permit making the same American-type cigarette blends that are sold in the United States. Current versions of U.S. brands but without added flavors have not sold well in the U.K. market.

Italy was the fourth largest U.S. market in 1976. Over half of Italy's 33 thousand tons imports were U.S. tobacco. Italy exported 53 thousand tons of tobacco to countries outside the EC in 1976; about half was burley, a major U.S. export type. Italy's 1976 production fell 3 percent from 1975's.

France, the fourth largest tobacco importer (83 thousand tons), purchased only 2 thousand tons of

U.S. tobacco as the output of American-type blended cigarettes in France is small, but growing.

The Netherlands, with total imports of 54 thousand tons, imported about one-fifth from the U.S. *Belgium-Luxembourg, Denmark, and Ireland* in 1976 imported over 60 thousand tons with 22 percent originating in the United States.

Foreign News Briefs

The U.S. Special Representative for Trade Negotiations, (STR) stressed the need to make progress on Multilateral Trade Negotiations (MTN) and to keep agricultural and industrial negotiations together, before the Trade Policy Research Center, London, April 25. The STR, Ambassador Robert Strauss, said the United States seeks a policy of the most open possible trade, but it must also be fair. U.S. negotiators will seek relief from nontariff trade barriers, special preference tariffs, and ad valorem taxes that discriminate against U.S. tobacco and have led to a decline in U.S. exports as world trade increases.

Canada has set a two price system for the tobacco crop with a guaranteed minimum for the 1977 Ontario flue-cured crop of \$1 per pound for 205 million pounds. The poundage rather than acreage control system is required by Ontario Tobacco Manufacturers' Council for guaranteeing a minimum price for the 1977 crop. Export prices would average about 86 cents with the difference from the guaranteed price being paid out of a \$9.7 million fund.

On April 1 the 1976 flue-cured crop sales season ended. The season average price reached a low of \$1.02 per pound, 2 cents above the minimum guaranteed by the Ontario Tobacco Manufacturers' Council.

Egypt, with the help of dollar credit financing through Title I, PL 480, purchased 5 thousand tons of U.S. tobacco worth \$17.6 million in 1976. Egypt is the largest buyer of U.S. tobacco in Africa.

Australia purchased less than 5 thousand tons of U.S. tobacco in 1976, compared with 8.5 thousand tons in 1974. Constantly rising cigarette prices resulted in a substantial decrease (6 percent) in consumption in the last 2 years. Higher State and national taxes are blamed for much of the price increase.

Rhodesian production is estimated to remain near 85 thousand tons, of which only a portion enters the export market because of political unrest within Rhodesia and economic sanctions against Rhodesian tobacco by former major customers in Europe.

Turkey, the prime source of U.S. imports of oriental tobacco, produced a record crop in 1976 that could temper the recent high prices of oriental tobacco.

Table 19—United States and world production and exports of flue-cured and all unmanufactured tobacco, 1955-76

Period	Flue-cured			All tobacco		
	United States	World total	United States as percentage of total	United States ¹	World total	United States as percentage of total
	<i>Million pounds</i>		<i>Percent</i>	<i>Million pounds</i>		<i>Percent</i>
Production (farm-sales weight)						
Average:						
1955-59	1,208	2,914	41	1,941	8,519	23
1960-64	1,335	3,305	41	2,211	8,898	25
1966	1,108	3,531	31	1,899	9,636	20
1967	1,263	3,859	33	1,979	10,368	19
1968	982	3,649	27	1,721	9,833	18
1969	1,053	3,823	28	1,810	9,821	18
1970	1,193	3,937	30	1,911	10,021	19
1971	1,078	3,918	28	1,712	9,865	17
1972	1,012	4,076	25	1,754	10,155	17
1973	1,157	4,404	27	1,744	10,670	17
1974	1,241	4,788	26	1,994	11,385	18
1975 ²	1,415	5,100	28	2,186	11,837	18
1976 ²	1,316	4,914	27	2,139	11,993	18
Exports (unmanufactured, export weight) ³						
Average:						
1955-59	413	683	60	500	1,434	35
1960-64	397	772	52	497	1,691	30
1966	423	710	60	551	1,689	33
1967	427	750	57	572	1,821	31
1968	444	800	56	599	1,801	33
1969	430	833	52	577	1,810	32
1970	368	810	45	510	1,838	28
1971	342	893	38	473	1,890	25
1972	425	1,047	41	606	2,341	26
1973	418	1,049	40	613	2,288	27
1974 ²	441	1,152	38	651	2,603	25
1975 ²	391	1,010	39	563	2,378	24
1976 ²	379	---	---	578	---	---

¹ Includes Puerto Rico. ² Subject to revision. ³ Total excludes Tobacco Division Foreign Agricultural Service. ---Not Sino-Soviet countries. ⁴ Estimated. Foreign data supplied by the available.

Table 20—Tobacco imports of ranking foreign and percentage supplied by the United States, 1972-76

	Total tobacco imports ¹					Percentage supplied by the United States				
	1972	1973	1974	1975 ²	1976 ²	1972	1973	1974	1975 ²	1976 ²
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
West Germany	322	3321	³ 191	291	317	30	29	23	30	30
United Kingdom	298	328	362	314	319	40	39	26	28	24
France	178	172	178	198	183	7	4	6	4	2
Netherlands	137	152	149	147	119	25	21	21	21	20
Japan	132	127	170	202	216	52	54	50	53	58
Belgium-Luxembourg	77	84	88	87	91	17	15	12	14	18
Spain	57	59	77	84	107	12	7	10	22	8
Switzerland	68	80	79	63	62	46	34	41	31	45
Canary Islands	65	57	69	45	73	*	*	*	9	7
Italy	48	50	65	78	73	48	38	27	44	49
Denmark	38	61	30	32	23	60	59	43	48	25
Sweden	33	28	21	28	20	64	64	61	55	63

¹ Unmanufactured tobacco. ² Subject to revision. ³ Revised. * Less than 0.5 percent.

Compiled from reports of Foreign Agricultural Service.

Table 21—United Kingdom tobacco: Imports, stocks, clearances, and exports, 1974-76

Item	1974	1975	1976 ¹	Item	1974	1975	1976 ²
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>		<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
Imports, by source:				Gross clearances:			
United States	104	88	69	Full duty rate	157	174	200
Commonwealth	162	140	107	Commonwealth rate	156	134	112
Other	96	86	108	Total	313	308	313
Total	362	314	284				
Exports:				Flue-cured:			
Manufactured products	61	70	78	United States	101	93	88
Unmanufactured	7	6	7	Commonwealth	156	138	123
				Other	43	56	72
Stocks, Dec. 31:				Total	300	387	283
Flue-cured	302	289	276	Net quality duty-paid	236	224	230
Other	86	110	117				
Total	388	399	393				

¹ Preliminary.

Compiled from Official United Kingdom sources.

Table 22—Tobacco: EC imports, by major suppliers, 1955-76

Year	United States	Latin America	Other EC and Associates		India, Canada, Rhodesia, Zambia, Malawi	Other	Total	U.S. share of total
			Greece and Turkey	Other EC ¹ and assoc- iated areas				
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Percent</i>
Average								
1955-59	119	53	90	41	27	57	387	30.7
1960-64	140	89	86	55	61	109	540	25.9
1965-69	168	107	96	59	39	160	630	26.8
1970	142	112	104	72	15	195	640	22.2
1971	178	126	126	81	19	213	743	24.0
1972	179	134	114	103	22	210	762	23.5
1973	171	125	117	152	22	190	777	22.0
1973 ²	342	150	120	168	161	255	1,196	28.6
1974 ³	300	179	114	194	190	272	1,321	22.7
1975 ³	284	192	76	175	186	371	1,182	24.0
1976 ³	268	---	---	---	---	---	1,144	23.4

¹ EC and associated areas includes countries in the Yaounde and Arusha agreements. ² Belgium, Luxembourg, France, Italy,Netherlands, and West Germany. ³ EC (6) plus Denmark, Ireland, and United Kingdom. ---Not available.

Table 23—Japan tobacco: Imports, by major suppliers, 1967-76

Year	United States	People's Republic of China	India	Thailand	Bulgaria, Greece, Turkey, Yugoslavia	Other countries	Total	United States as a percentage of	
								Total	Non-oriental imports ¹
	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Percent</i>	<i>Percent</i>
1967	40	—	6	3	15	1	65	61.9	80.6
1968	35	—	7	13	1	60	58.8	75.3	
1969	47	—	6	3	16	1	73	63.9	81.9
1970	44	—	6	6	16	1	73	60.3	78.0
1971	54	—	9	8	23	6	100	53.6	69.5
1972	69	1	10	9	36	7	132	51.9	71.5
1973	69	1	10	6	25	16	127	54.1	67.6
1974	85	4	11	7	30	33	170	50.0	60.8
1975	106	8	12	8	25	43	202	52.5	59.9
1976	125	15	11	8	17	40	216	57.8	62.8

¹ Total less Bulgaria, Greece, Turkey, and Yugoslavia.

Table 24—Cash receipts from tobacco as percentage of cash receipts from crops and all farm commodities, by States, average 1966-70, annual 1974-76

State	Average 1966-70		1974		1975		1976 ¹	
	Tobacco	Percentage of total receipts	Tobacco	Percentage of total receipts	Tobacco	Percentage of total receipts	Tobacco	Percentage of total receipts
	<i>Million dollars</i>	<i>Percent</i>	<i>Million dollars</i>	<i>Percent</i>	<i>Million dollars</i>	<i>Percent</i>	<i>Million dollars</i>	<i>Percent</i>
North Carolina	518	38.4	838	31.9	951	35.5	999	35.4
Kentucky	294	35.1	470	31.6	408	27.7	482	29.6
South Carolina	95	23.4	179	21.6	188	22.5	154	18.4
Virginia	84	15.6	147	15.2	149	14.7	170	16.4
Tennessee	81	12.6	123	12.2	122	11.0	152	11.6
Georgia	85	7.9	168	8.0	154	6.9	138	6.1
Florida	30	2.5	37	1.6	29	1.4	36	1.4
Maryland	21	5.9	29	4.6	29	4.3	22	3.2
Connecticut	26	16.1	28	13.0	36	15.0	30	13.0
Pennsylvania	11	1.2	11	.7	15	.9	11	.6
Ohio	14	1.1	21	.9	21	.8	22	.8
Indiana	10	.7	18	.6	15	.5	17	.5
Massachusetts	10	6.2	10	4.8	13	4.0	11	5.1
Wisconsin	5	.4	11	.5	14	.5	16	.5
Missouri	3	.2	6	.2	6	.2	4	.2
West Virginia	2	2.4	2	1.6	3	2.0	3	2.1
United States ²	1,292	2.8	2,097	2.3	2,155	2.4	2,280	2.4

¹ Subject to revision. ² U.S. total receipts from tobacco include relatively small receipts for a few States not shown separately.

Table 25—Tobacco manufacturing corporations: Net sales, net income, and profit ratios, 1967-76

	Net sales	Net income		Profit			
		Before Federal tax	After Federal tax	Per dollar of sales		Percentage of stockholders equity (annual basis)	
				Before Federal tax	After Federal tax	Before Federal tax	After Federal tax
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Cents</i>	<i>Cents</i>	<i>Percent</i>	<i>Percent</i>
1967	7,088	794	420	11.2	5.9	27.2	14.4
1968	7,859	896	436	11.4	5.6	29.7	14.4
1969	9,162	976	476	10.6	5.2	29.6	14.4
1970	9,839	1,098	569	11.2	5.8	30.3	15.7
1971	10,551	1,217	643	11.5	6.1	29.8	15.7
1972	11,308	1,246	676	11.1	6.0	28.4	15.4
1973	12,205	1,254	704	10.3	5.8	26.4	14.8
1974	14,267	1,354	770	9.5	5.4	¹ 26.4	¹ 15.0
1974 ²	8,933	1,053	801	11.8	9.0	¹ 26.4	¹ 20.0
1975 ²	9,987	1,396	919	14.0	9.2	26.6	16.6
1976 ²	11,964	1,638	1,011	14.3	7.8	28.8	15.9
Quarterly 1976							
1	2,821	389	231	14.3	7.6	28.2	15.1
2	2,771	375	251	14.4	8.0	28.5	16.0
3	2,979	417	274	15.0	8.2	30.7	17.0
4	3,393	457	255	13.6	7.5	27.8	15.4

¹ Estimated on the basis of an equity increase of 8 percent.

² Industry classification changed and foreign subsidiary results omitted beginning with 1st Quarter 1974. For 1974, the new series reduced net sales 37 percent and profits before taxes 22 percent. Profits after taxes increased 4 percent. Note: Data

includes non-tobacco enterprises of tobacco manufacturing corporations. Compiled and adapted from the *Quarterly Financial Reports for Manufacturing Corporations*, Federal Trade Commission—Securities and Exchange Commission.

Table 26—United States exports of unmanufactured tobacco by types, to principal importing countries, crop years, 1975-76 - 1976-77

(Declared weight)

Importing countries	1975-1976	Part year through January ²		Importing countries	1975-1976	Part year through January ²	
		1975-1976	1976-1977			1975-1976	1976-1977
	Million pounds				Thousand pounds		
	Flue-cured, types 11-14				Va. fire & sun-cured, types 21 & 37		
United Kingdom	57.0	47.9	36.8	Switzerland	42	0	127
West Germany	55.9	35.2	31.9	Norway	1,194	778	297
Japan	84.4	72.7	66.5	Sweden	397	385	250
Netherlands	15.5	10.0	7.9	West Germany	454	238	258
Thailand	12.5	5.1	7.5	Other countries	806	224	204
Australia	12.1	9.9	5.7				
Italy	14.6	6.0	5.0	Total	2,893	1,625	1,136
Sweden	9.1	9.0	7.1				
Norway	3.8	1.9	2.7				
Finland	4.6	3.4	3.7				
Denmark	10.7	10.5	6.3				
Ireland	4.1	3.3	2.6				
Belgium	9.8	2.9	2.8				
Switzerland	9.8	5.0	5.3				
Egypt	17.0	9.4	2.7				
Philippine Republic	6.6	5.0	4.2				
Spain	4.9	3.9	2.7				
Malaysia	5.9	3.6	4.9				
Taiwan	11.2	10.8	13.6				
New Zealand	3.6	2.1	2.1				
Other countries	42.5	21.4	31.2				
Total	390.6	279.0	253.2				
	Burley, type 31				Cigar Filler, types 41-44		
Italy	14.3	0	.4	New Zealand	0	0	0
Sweden	2.7	1.5	1.1	France	270	43	4
Denmark	2.0	1.8	1.0	Other countries	60	56	122
Netherlands	2.0	1.5	1.0				
Japan	8.3	0	2.0	Total	330	99	126
West Germany	11.4	3.2	5.9				
Switzerland	3.1	1.4	.5				
Syria	2.9	0	0				
Thailand	2.7	0	0				
Philippine Republic	6.9	2.0	1.0				
Other countries	15.4	5.9	2.0				
Total	71.7	17.3	14.9				
	Maryland, type 32				Connecticut Binder, types 51-52		
Belgium	1.3	.4	0	West Germany	0	0	0
West Germany	1.8	.3	.7	United Kingdom	0	0	0
Switzerland	3.3	.3	1.0	Canada	22	8	41
Other countries . . . . .	.9	.2	.4	Other countries	135	32	56
Total	7.3	1.2	2.1	Total	157	40	97
	Ky.-Tenn. Fire-cured, types 22-23				Wisconsin Binder, types 54-55		
Sweden . . . . .	.3	.3	.5	Dominican Republic	68	0	8
Netherlands	8.9	3.4	3.6	Other countries	18	0	0
Belgium . . . . .	.5	.2	.1	Total	86	0	8
France	2.7	(³)	0				
Switzerland . . . . .	.7	.6	.6				
Other countries	3.0	.9	.6				
Total	16.1	5.4	5.4				
	Stems, trimmings, and scrap				Cigar Wrapper, types 61-62		
Sweden	3.7	.5	(³)	United Kingdom	830	615	299
Denmark	2.8	2.7	2.6	West Germany	212	82	51
United Kingdom	20.7	15.2	12.6	Canada	227	127	69
West Germany	4.3	2.3	4.3	Dominican Republic	1,520	919	909
Japan	30.2	22.0	21.0	Netherlands	327	161	370
Other countries	31.1	19.9	21.9	Other countries	668	386	234
Total	92.8	62.6	62.4	Total	3,784	2,290	1,932
	Stems, trimmings, and scrap				Black Fat		
Sweden	3.7	.5	(³)	Dahomey	886	543	690
Denmark	2.8	2.7	2.6	Cameroon	581	228	161
United Kingdom	20.7	15.2	12.6	Niger	328	75	160
West Germany	4.3	2.3	4.3	Nigeria	476	57	0
Japan	30.2	22.0	21.0	Togo	421	220	104
Other countries	31.1	19.9	21.9	Other countries	479	45	43
Total	92.8	62.6	62.4	Total	3,171	1,168	1,158

¹ July-June crop year for flue-cured, cigar wrapper, stems, trimmings, and scrap; October year for all others. ² Subject to revision.

³ Less than 50,000 pounds. Detail may not add to total due to rounding. Compilation through April available from Room 200, CED, ERS, USDA, Washington, D.C. 20250.

Compiled from publications and records of the Bureau of the Census.

RECENT PUBLICATIONS

Flue-Cured Tobacco Mechanization and Labor: Impacts of Alternative Production Levels, by Frederic L. Hoff, William D. Givan, Owen K. Shugars, and Verner N. Grise. Economic Research Service, U.S. Department of Agriculture, Agricultural Economic Report No. 368, April 1977, 24 pp.

The rapid trend toward harvest mechanization experienced in 1972-75 will continue into the 1980's, according to an analysis of a wide range of quota levels and wage rates. Adopting new harvest technology is profitable for farmers, and it will have an impact on the demand for harvest labor. In the aggregate, however, harvest mechanization will not cause serious unemployment problems in the flue-cured tobacco belt. Harvest jobs are part-time and seasonal. Workers most likely to lose harvest job opportunities are young persons and women. Available from ERS Publications, Room 0054, USDA, Washington, D.C. 20250.

Tobacco Production, by James F. Chaplin, in association with A. H. Baumhover, C. E. Bortner, J. M. Carr, T. W. Graham, E. W. Hauser, H. E. Heggstad, J. E. McMurtrey, Jr., J. D. Miles, B. C. Nichols, W. B. Odgen, and H. A. Skoog, Agricultural Research Service, U. S. Department of Agriculture, Agricultural Information Bulletin No. 245, December 1976, 77 pp.

Discusses cultural practices for various types of U.S. leaf tobacco from seedbed through harvesting, curing, and preparing for market. Includes considerable discussion on herbicides for weed control,

diseases, nematodes, insects and related pests. Illustrated. Available from ARS Publications, 346 FCB-1, Hyattsville, Md. 20782.

"Rhodesia's Political Change May Alter Tobacco Trade," by Robert E. Haresnape, *Foreign Agriculture*, April 25, 1977, pp. 2-4.

Rhodesia's emergence as a major exporter until the 1965 political developments is traced. Three future scenarios are traced where exports could expand, decline, or stagnate, depending on Government policies.

Cigarette Bootlegging: A State and Federal Responsibility? Advisory Commission on Intergovernmental Relations, November 1976. 139 pp.

Discusses tax administration problems that have developed since 1965—the transportation of cigarettes from low tax States for sale in high tax States. Reviews Federal and State policies, including the Jenkins Act, and proposed Federal contraband legislation, and State enforcement efforts. The excise tax exemption of cigarette sales to Indians and military personnel was estimated to have cost State and local governments over \$130 million annually in revenue foregone. Costs of tax administration and tax evasion are detailed. Various recommendations would improve tax administration and provide for more uniform rates through a Federal incentive plan. Available from ACIR, Washington, D.C. 20575.

SELECTED RECENT ARTICLES, REPORTS, SPEECHES

Andrews, B.G., "Mexico and Brazil: Growing contenders in tobacco sales", Foreign Agriculture, Jan. 24, 1977, pp. 6, 12 1/

Grise, Verner N., "Off-Farm Employment of Flue-Cured Tobacco Farmers", talk at the Agricultural Economics Section, 27th Tobacco Workers Conference, Atlanta, Georgia January 11, 1977, 22 pp. 2/

Hall, Richard, "Burley Tobacco: Expansion Abroad", talk at the Agricultural Econ. Sec. 27th Tobacco Workers Conference, Atlanta, Ga., Jan. 12, 1977, 8 pp. 2/

Miller, Robert H., "Alternative Price Support Programs for Tobacco" talk at the 27th Tobacco Workers Conference, Atlanta, Ga., January 13, 1977, 7 pp. 3/

Miller, Robert H., "Alternative Price Support Methods for Tobacco", talk given at Mid-Winter Board of Governors Meeting, Tobacco Association of United States, Feb. 26, 1977, and Annual Meeting of the South Carolina Warehouse Association, Inc., Myrtle Beach, South Carolina, May 19, 1977, 7 pp. 3/

Miller, Robert H., "Burley Tobacco-Domestic Use, Supply and Demand Outlook", talk at Burley Tobacco Quota Meeting, Lexington, Ky., Jan. 14, 1977, 7 pp. 2/

Miller, Robert H., "United States Tobacco: Recent and Prospective Quality Changes", talk given at International Tobacco Science Meeting (CORESTA), Tokyo, Japan, Nov. 15, 1976, 8 pp. 2/

North Carolina Dept. of Agriculture, North Carolina Tobacco Report -- 1975-76, No. 224, May 1976, 36 pp.

Parker, John B., Jr., "Egypt's 1975 Tobacco Imports Set Record; U.S. Sales High", Foreign Agriculture, Mar, 7, 1977, p. 14. 1/

Shugars, Owen K., and Cesal, Lon, "The Flue-Cured Tobacco Study: Development Strategies Project", talk at Technology Assessment Conference, ERS Washington, D.C., Apr. 21, 1976, 9 pp. 2/

Shugars, Owen K., and Givan, Wm.D, "Implications of Cross-Boundary Lease and Transfer for Flue-Cured Tobacco Mechanization, talk at the Agriculture Economics Section, 27th Tobacco Workers Conference, Atlanta, Georgia, January 11, 1977, 15 pp. 2/

USDA, Agricultural Marketing Service, Annual Report on Tobacco Statistics 1976, April 1977, 41 pp. 3/

USDA, Agricultural Marketing Service, "Facts About: Flue-Cured Tobacco Grade Standards", AMS Publ. 573, May 1977, 3 pp. 3/

USDA, Agricultural Stabilization and Conservation Service, "Tobacco: Allotted by Counties and by Kinds; 1976", 1976, 17 pp. 4/

U.S., 95th Congress, 1st Session, House of Repr., Report No. 95-126, Leasing Of Flue-Cured Tobacco Quotas, March 28, 1977, 7 pp.

Available from the following sources in USDA, Washington, D.C. 20250.

1/ FAS Publications, Room 5918. 2/ Commodity Economics, ERS, Room 200-GHI Bldg.

3/ AMS Information, Room 1078. 4/ Tobacco Branch, ASCS, Room 5756.

STATISTICAL SUMMARY

Item	Unit or base period	1976		1977			Last data as percentage of a year earlier
		April	May	March	April	May	
Average price at auctions							
Flue-cured	Ct. per lb.	closed	closed	closed	closed	closed	---
Burley	Ct. per lb.	closed	closed	110.2	105.3	closed	---
Maryland	Ct. per lb.	109.5	109.5	closed	111.5	109.5	100
Virginia fire-cured	Ct. per lb.	closed	closed	closed	closed	closed	---
Ky.-Tenn. fire-cured	Ct. per lb.	closed	closed	138.0	125.0	closed	---
Ky.-Tenn. dark air-cured	Ct. per lb.	closed	closed	111.5	closed	closed	---
Virginia sun-cured	Ct. per lb.	closed	closed	closed	closed	closed	---
Support price 1/							
Flue-cured	Ct. per lb.	106.0			113.8		107
Burley	Ct. per lb.	109.3			117.3		107
Maryland	Ct. per lb.	No support			No support		---
Virginia fire-cured	Ct. per lb.	74.1			79.5		107
Ky.-Tenn. fire-cured	Ct. per lb.	74.1			79.5		107
Ky.-Tenn. dark air-cured	Ct. per lb.	65.9			70.7		107
Virginia sun-cured	Ct. per lb.	65.9			70.7		107
Connecticut Valley							
cigar binder	Ct. per lb.	75.6			81.2		107
Wis. binder and Ohio filler	Ct. per lb.	54.6			58.6		107
Puerto Rican filler	Ct. per lb.	56.7			60.9		107
Parity index 2/	1910-14=100	651	650	685	692	694	107
Industrial production index 3/	1967=100	128.4	129.6	135.2	136.3	137.8	106
Employment	Mil.	86.6	87.3	88.2	89.3	90.0	103
Personal income 4/	Bil. dol.	1,352.5	1,362.9	1,486.5	1,497.6	-----	111
		1976		1977			
		March	April	Feb.	March	April	
Taxable removals							
Cigarettes	Bil.	58.8	49.6	55.2	53.4	---	91
Cigars and cigarillos	Mil.	488.8	461.3	406.4	478.2	---	98
Accumulated from Jan. 1							
Cigarettes	Bil.	161.8	211.4	111.3	151.6	---	94
Cigars and cigarillos	Mil.	1,288.5	1,749.8	713.1	1,191.3	---	92
Invoiced to domestic customers							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	11.1	---	---	10.2	---	92
Chewing tobacco	Mil. lb.	19.4	---	---	19.9	---	103
Snuff	Mil. lb.	6.4	---	---	6.1	---	95
Tax-exempt removals							
Cigarettes	Bil.	6.4	5.9	5.3	7.1		120
Exports	Bil.	4.9	5.1	4.1	6.2	5.7	112
Cigars and cigarillos	Mil.	14.1	12.9	10.8	11.4		88
Accumulated from Jan. 1							
Cigarettes	Bil.	18.7	24.6	10.2	17.3		70
Exports	Bil.	15.2	20.2	8.0	14.2	19.8	98
Cigars and cigarillos	Mil.	36.4	49.3	20.4	31.8		65
Invoiced for export							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	.3	---	---	.2	---	67
Chewing tobacco	Mil. lb.	.2	---	---	.3	---	150
Wholesale price indexes 5/							
Cigarettes (reg. nonfilter)	1967=100	168.4	168.4	182.8	182.8	182.8	109
Cigars	1967=100	125.6	125.6	126.6	126.6	127.5	102
Smoking tobacco	1967=100	170.2	177.5	189.1	189.1	193.9	109
Plug chewing tobacco	1967=100	179.3	184.3	194.4	194.4	194.4	105
Snuff	1967=100	188.5	190.6	209.8	209.8	209.8	111
Consumer price indexes (urban) 6/							
Cigarettes (reg. nonfilter)	1967=100	161.7	162.0	168.1	168.2	168.3	104
Cigarettes (filter tip king)	1967=100	162.1	162.7	168.7	168.7	169.0	104
Cigars (domestic reg. size)	1967=100	128.4	128.9	133.6	134.1	134.3	104
Imports of tobacco							
Cigarette leaf	Mil. lb.	19.7	16.2	16.0	11.8	16.6	102
Cigar tobacco 7/	Mil. lb.	11.5	8.9	10.3	13.6	13.6	153
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	60.9	76.8	31.8	44.1	60.7	79
Cigar tobacco 7/	Mil. lb.	37.5	46.4	24.7	28.3	41.9	90

See footnotes at end of table.

STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1976		1977		Last data as percentage of a year earlier
		Mar.	Apr.	Feb.	Mar.	Apr.
Exports of leaf tobacco						
(farm-sales weight)						
Flue-cured	Mil. lb.	30.5	26.2	49.1	32.7	18.9
Burley	Mil. lb.	16.8	19.6	9.7	25.4	9.7
Maryland	Mil. lb.	.5	.8	*	*	1.4
Virginia fire- & sun-cured	Mil. lb.	.1	.6	2.0	.3	0
Ky.-Tenn. fire-cured	Mil. lb.	3.1	2.1	*	1.8	1.7
Ky.-Tenn. dark air-cured	Mil. lb.	0	*	*	*	*
Black Fat	Mil. lb.	.3	.3	.4	.3	.3
Cigar wrapper	Mil. lb.	.4	.5	.4	.2	.3
Connecticut binder	Mil. lb.	*	*	0	0	*
Wisconsin binder	Mil. lb.	0	0	0	0	0
Accumulated from beginning of marketing year <u>8/</u>						
Flue-cured	Mil. lb.	456.5	482.8	391.9	424.6	443.5
Burley	Mil. lb.	43.1	62.7	29.4	54.8	64.5
Maryland	Mil. lb.	2.4	3.1	2.9	3.2	4.6
Virginia fire- & sun-cured	Mil. lb.	2.2	2.9	2.0	1.2	1.2
Ky.-Tenn. fire-cured	Mil. lb.	10.8	11.9	7.7	9.5	11.1
Ky.-Tenn. dark air-cured	Mil. lb.	0	*	0	0	*
Black rat	Mil. lb.	1.7	2.0	2.0	1.5	1.8
Cigar wrapper	Mil. lb.	3.5	4.0	2.6	2.7	3.0
Connecticut binder	Mil. lb.	.1	.1	.1	.1	.1
Wisconsin binder	Mil. lb.	0	0	*	*	*
Cigar filler	Mil. lb.	.2	.2	.2	.2	.2
Exports of manufactured tobacco						
in bulk	Mil. lb.	.3	2.6	.4	1.4	1.4
Accumulated from Jan. 1	Mil. lb.	2.5	5.2	.4	1.9	3.3
Quarterly data						
1976 1977						
Jan-Mar Apr-June Jan-Mar Apr-June						
Stocks of tobacco--1st of quarter <u>2/</u>						
Domestic types						
(farm-sales weight)						
Flue-cured	Mil. lb.	2,443	2,089	2,596	2,305	110
Burley	Mil. lb.	1,345	1,420	1,399	1,502	106
Maryland	Mil. lb.	54	49	42	38	78
Fire-cured	Mil. lb.	41	68	45	62	91
Dark air- and sun-cured	Mil. lb.	35	39	30	35	90
Cigar filler	Mil. lb.	55	71	55	72	101
Cigar binder	Mil. lb.	39	54	39	53	98
Cigar wrapper	Mil. lb.	19	16	16	15	100
Under Government loan <u>10/</u>	Mil. lb.	402	408	638	657	161
Tobacco sheet <u>11/</u>						
Cigarette types	Mil. lb.	24.1	21.8	29.4	28.4	130
Cigar types	Mil. lb.	1.4	1.7	1.4	.9	53
Foreign types (unst. equiv.)						
Cigarette and smoking	Mil. lb.	568	628	637	599	95
Cigar	Mil. lb.	131	126	114	111	88
Tobacco outlets <u>12/</u>						
Seasonally adjusted data, annual rates, for charts, p.2						
Cigarettes						
Production	Bil.	724.2	685.4	685.6	704.0	103
Taxable removals	Bil.	655.3	621.6	614.4	632.0	102
Cigar production	Bil.	5.45	5.22	3.36	5.22	100
Smoking production	Mil. lb.	48.4	47.2	46.3	47.2	100
Chewing production	Mil. lb.					
Loose leaf	Mil. lb.	59.6	58.2	64.2	60.0	103
Plug and other	Mil. lb.	26.6	27.5	27.8	27.5	100
Snuff production	Mil. lb.	24.3	24.6	24.6	24.6	100
Exports of leaf						
total	Mil. lb.	977.0	523.5	967.8	495.0	95
Flue-cured	Mil. lb.	811.7	319.9	743.1	288.0	90

1/ 1975 and 1976 crops respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Excise tax excluded. 6/ Federal and applicable state and local taxes included. 7/ Farm-sales weight equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Holdings of manufacturers and dealers including grower cooperatives. 10/ Reported by grower cooperatives. 11/ Weight of tobacco leaf not including stems added. 12/ Data for most recent quarter are preliminary estimates. *Less than 50,000 pounds. Detail may not add to total due to rounding.

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